



SIBS AB (publ)

Prospectus regarding the admission to trading of
SEK 150,000,000
SENIOR UNSECURED FLOATING RATE
GREEN BONDS
October 2020/April 2024

ISIN: SE0014965729

2021-04-30

This Prospectus was approved by the Swedish Financial Supervisory Authority on 30 April 2021. The validity of this Prospectus will expire up to 12 months after the date of approval. The Issuer's obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by SIBS AB (publ) (reg. no. 559050-3073) (“**SIBS**”, the “**Company**” or together with its direct and indirect subsidiaries depending on the context, the “**Group**” or the “**SIBS Group**”) in relation to the application for admission to trading of bonds issued under the Company’s maximum SEK 600,000,000 senior unsecured floating rate green bonds 2020/2024 with ISIN SE0014965729 (the “**Bonds**”) on the sustainable bond list on Nasdaq Stockholm AB (“**Nasdaq Stockholm**”).

The Company issued an initial bond of SEK 400,000,000 on 19 October 2020 (the “**Initial Bond**” or the “**Initial Bond Issue**” depending on the context). A prospectus for the admission to trading of the Initial Bond on Nasdaq Stockholm was published on 23 November 2020. Subject to the terms and conditions (the “**Terms and Conditions**”), the Company may at one or more occasions after the Initial Bond Issue, issue subsequent bonds (“**Subsequent Bond Issues**”) until the total amount under any Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 600,000,000. On 23 March 2021 the Company issued subsequent bonds of SEK 150 000 000 (the “**First Subsequent Bond**” or the “**First Subsequent Bond Issue**”). For the avoidance of doubt, this Prospectus has been prepared for the sole purpose of admitting the loan constituted by the First Subsequent Bond Issue for trading at Nasdaq Stockholm. Swedbank AB (publ) (reg. no. 502017-7753) has acted as issuing agent and sole bookrunner (the “**Issuing Agent**”) in relation to the First Subsequent Bond Issue.

Terms and definitions used in this Prospectus have the same meaning as in Section 11 “Terms and Conditions for the Bonds” unless otherwise expressly stated in this Prospectus.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus.

The Prospectus has been prepared for admission of the loan constituted by the Bonds for trading at Nasdaq Stockholm and does not constitute at any part an offer by SIBS for subscription or purchase of the Bonds. The Prospectus is governed by Swedish law. Disputes regarding this Prospectus shall be exclusively governed by Swedish law and settled by the Swedish courts exclusively. The Prospectus may not be distributed in any jurisdiction where such distribution or sale would require any additional prospectus, registration or other measures than those required by Swedish law or otherwise would conflict with regulations in such jurisdiction. Holders of the Prospectus or Bondholders must therefore inform themselves about, and observe any such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 as applicable at any time (the “**U.S. Securities Act**”), or under any U.S. state securities legislation. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons, except for “Qualified Institutional Buyers” within the meaning of Rule 144A under the U.S. Securities Act. Furthermore, SIBS has not registered the Bonds under the securities legislation of any other country. The Bondholder may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject.

The Prospectus, including the documents incorporated by reference (see Section 10 “Documents incorporated by reference” below) as well as any supplements to the Prospectus, may contain statements regarding the prospects of SIBS made by the board of directors. Such statements are based on the board of directors’ knowledge of current circumstances regarding SIBS’ business, the market conditions, the current global environment in which SIBS operates and other prevailing external factors. The reader should observe that forward-looking statements always are associated with uncertainty. An investment in the Bonds is associated with risks and risk taking. Anyone considering investing in the Bonds is therefore encouraged to carefully study the Prospectus, in particular Section 1 “Risk factors”. Each potential investor in the Bonds must decide upon the suitability of an investment in the light of their own circumstances.

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

The Prospectus will be available via the websites of the SFSA (<https://www.fi.se/sv/vara-register/prospektregistret/>) and SIBS (www.sibsab.com/investor-relations/). Paper copies may be obtained from SIBS. The information on the websites does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

The figures in this Prospectus do not always sum up correctly due to being rounded off in order to facilitate the reading of the Prospectus.

TABLE OF CONTENTS

| | | |
|----|--|----|
| 1 | RISK FACTORS | 4 |
| 2 | RESPONSIBILITY FOR THE PROSPECTUS | 16 |
| 3 | SUMMARY OF THE BOND LOAN | 17 |
| 4 | DESCRIPTION OF THE COMPANY AND THE GROUP | 20 |
| 5 | GROUP OWNERSHIP AND OWNERSHIP STRUCTURE | 24 |
| 6 | THE BOARD, SENIOR MANAGEMENT AND AUDITOR | 24 |
| 7 | FINANCIAL INFORMATION | 26 |
| 8 | LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION | 27 |
| 9 | DOCUMENTS AVAILABLE FOR INSPECTION | 30 |
| 10 | DOCUMENTS INCORPORATED BY REFERENCE | 30 |
| 11 | TERMS AND CONDITIONS FOR THE BONDS | 32 |
| 12 | ADDRESSES..... | 73 |

Definitions

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| SIBS, the SIBS Group, the Group or the Company | SIBS AB (publ), registration number 559050-3073, with or without subsidiaries depending on the context. |
| The Bonds | Refers to the senior unsecured floating rate green bonds 2020/2024, up to SEK 600,000,000. ISIN SE0014965729. |
| The Initial Bonds | Refers to the Bond issue of SEK 400,000,000 on 19 October 2020. |
| The First Subsequent Bonds | Refers to the Bond issue of SEK 150,000,000 on 23 March 2021. |
| Nasdaq Stockholm | The sustainable bond list on Nasdaq Stockholm AB. |
| The Prospectus | This prospectus prepared in relation to SIBS's admission to trading of the First Subsequent Bonds on Nasdaq Stockholm. |
| SEK | Refers to Swedish kronor. |
| Terms and Conditions | Refers to the terms and conditions for the Bonds. |

Definitions and terms used in this Prospectus have the same meaning as in Section 11 "Terms and Conditions for the Bonds" unless otherwise expressly stated above or elsewhere in this Prospectus.

1 RISK FACTORS

In this section, material risk factors are described, including risks relating to the Group's business and operations, legal risks, financial risks as well as risks relating to the Bonds.

The risk factors are presented in categories and where a risk factor may be categorised in more than one category, such risk factor appears only once in the most relevant category for such risk. The assessment of the materiality of each risk factor has been determined on the basis of a qualitative ordinal scale (low/medium/high) based on the probability of their occurrence and the expected magnitude of their negative impact on the Group's activities, financial position and results. The risk factors which are deemed most material by SIBS, based on the probability of their occurrence and the expected magnitude of their negative impact, are presented first under the respective category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence.

The information in this Section 1 ("Risk Factors") as of 31 December 2020 is derived from the balance sheet, income statement and cash flow statement of SIBS Group year-end report for the period 1 January – 31 December 2020, which has not been audited.¹

1.1 Risk factors specific and material to SIBS and the Group

1.1.1 Market risks

Inflation and interest risk

The Group operates in the Swedish residential real estate market, which to a large extent is affected by macroeconomic factors such as the level of production of new housing, changes in infrastructure and population growth. There is a risk that one or more of these factors will develop in a negative direction for the Group, which may affect the vacancy rates in the Group's properties, the tenants' ability to pay their rents and the possibility of charging expected rents, which in the long run could have an adverse effect on the Group's financial position.

The Group's business is mainly financed, in excess of equity, by borrowings from credit institutions. Interest expenses are therefore one of the Group's main cost items and the Group's debt-to-equity ratio (external total liabilities divided by total book value) as of 31 December 2020 amounted to 54 per cent. Interest expenses are mainly affected by, besides the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Group's strategies regarding interest rate fixation periods and length of debt maturity. An increase in interest rates would negatively affect the Group's financial costs and earnings and in turn the performance of SIBS under its loans. SIBS deems that the probability of unexpected increases in interest rate costs occurring is *medium*. If the risks would materialize, SIBS considers the potential impact to be *high*.

Covid-19

The covid-19 pandemic has, and is expected to continue to have, a major impact on the markets were

¹ <https://sibsab.com/wp-content/uploads/sibskommunike2020pdf.pdf>

the Group operates. SIBS is primarily affected indirectly, by the direct and indirect effect of the covid-19 pandemic on the macroeconomic development on the markets where the Group operates. The covid-19 pandemic led to a major slowdown in the economic growth during the full-year of 2020, both due to the spread of the virus itself, as well as due to political decisions enacted in order to try to prevent the virus from spreading. Whilst the final economic impact of the covid-19 pandemic remains uncertain, a number of central banks and governments have announced financial stimulus packages aiming to remedy the negative impact of covid-19. However, the effects of the covid-19 outbreak may affect SIBS' tenants, which in turn can affect SIBS by increased vacancy rates and a decrease in rental income for the Group. The effects of the covid-19 outbreak may also affect SIBS' factory in Malaysia and if the factory is restricted or forced to close, it could lead to significant delays in SIBS' ongoing projects. An increased financial uncertainty due to the covid-19 outbreak may also impair the possibility to obtain necessary financing. SIBS deems the probability of the risks associated with covid-19 materializing to be *medium*. If the risks would materialize, SIBS considers the potential impact to be *high, particularly if all risks would materialize at the same time*.

1.1.2 Business risks

Rental income and rental development

SIBS is a real estate company that mainly focuses on development and construction of rental housing and property management. The Group's rental income is generated from rental housing and is affected by the vacancies of the properties, the rental rates and the tenants paying their rents on time. If tenants do not fulfil their payment obligations under the lease agreements, this could negatively affect the Group's possibilities to sustain current revenue and cash flow levels, which could have a negative impact on the Group's financial position, asset valuation and earnings. Normally, no lease agreements are signed and the rental levels have usually not been agreed before a project regarding new production is started. Thus, there is a risk that the occupancy rate and the rental levels does not correspond to assessment made by SIBS before the start of the project, which could affect the Group's earnings. SIBS deems that the probability of such risks materializing to be *medium*. If the risks would materialize, SIBS considers the potential impact to be *high*.

Risks relating to the cooperation with Slättö and Nordsten

SIBS, through its wholly-owned subsidiary Sveaviken Holding 3 AB, owns 50 per cent. of the shares in Slättö Sveaviken Holding 1 AB, a joint venture with Slättö VII Holding 3 AB and 50 per cent. of the shares in Slättö Sveaviken Holding 2 AB, a joint venture with Slättö IV Holding AB. In addition, SIBS' wholly-owned subsidiary Sveaviken Holding 1 AB owns 50 per cent. of the shares in Fastighets AB Kalmarporten and 50 per cent. of the shares in Fastighets AB Örebroängen, two joint ventures with Slättö Bostad KÖ AB. Furthermore, SIBS, through its wholly-owned subsidiary Sveaviken Holding 4 AB, owns 50 per cent. of the shares in Sveaviken Nordsten Holding AB, a joint venture with Nordsten Fastigheter AB. If any disagreement would arise with a joint venture partner regarding the business or operations of the relevant joint venture, there is a risk that SIBS will not be able to resolve it in a manner that will be in its best interests. In addition, certain major decisions, such as divesting interests in a joint venture or entering into certain material transactions, may require the consent of the partner. Any such limitations could adversely affect SIBS' ability to obtain the economic and other benefits it seeks from participating in these joint ventures. Furthermore, the joint venture partner may be unable or unwilling

to fulfil its obligations, have financial difficulties, require SIBS to make additional investments or have disputes with SIBS regarding their rights, responsibilities and obligations, which could adversely affect the Group's earnings and financial position. SIBS deems that the probability of such risks materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *medium*.

Changes in value of properties

The Group's real estate investments are recorded in the balance sheet at actual value and the value changes are recorded in the income statement. As of 31 December 2020, the total value of the Group's investment properties, shares in associated companies (real estate owning companies) and owner-occupied property amounted to SEK 755,900,000 SEK and the value changes of the Group's investment properties amounted to SEK 61,163,000. Valuations are performed according to schedule where both external valuation as well as valuation by the Group itself is carried out. According to the Terms and Conditions each property must be valued externally once every calendar year. The Group's loan to value ratio for investment properties under management was 59 per cent as of 31 December 2020. There is a risk that the valuation coverage may change in the future which could result in that the value becomes more difficult to estimate for an investor, a financing counterparty or any third party interested in the valuation of the Group's properties.

The value of the Group's properties is affected by a number of factors, partly by property specific factors such as rental rates, vacancy rate and operating costs and partly by market specific factors such as yield requirements and cost of capital that are derived from comparable transactions on the real estate market. Property related deteriorations such as lower rental income and increased vacancies, as well as market specific factors such as increased yield requirements can cause the Group to write down the fair value of its investment properties, which could have a negative impact on the Group's business, financial position and earnings. Furthermore, a deterioration in the value of properties could cause a breach of the financial undertakings in the Group's various financial obligations which could lead to the loans being accelerated, leading to immediate repayment or result in the creditor's enforcement of the pledged assets. SIBS deems the probability of such risks materializing to be *medium*. If the risks would materialize, SIBS considers the potential impact to be *high*.

Projects and developments

The operations of the Group comprise property development projects. When developing property, certain risks arise. Larger projects may entail major investments which may lead to an increased credit risk if the Group would be unable to find tenants for the apartments in question. The Group operates in all parts of the property development process, from acquisitions and development to production, transport, construction and property management. The Group is dependent on that each step in the process is working. When planning and budgeting for a construction project it is essential that the basis for calculation is complete and correct. Assumptions are made in relation to costs and revenues, as well as the ability of partners to perform in accordance with contracts. Projects may be delayed or may entail higher costs than foreseen, for example as a result of required permits not being obtained or of unexpected environmental circumstances or technical problems arising, which may lead to increased costs or decreased earnings. Since much time can elapse between when a property development project is initiated to the completion of the project, especially in the housing sector, there is also a risk

that the conditions on which the project was once based may have been affected or changed in the meanwhile.

In several projects the Group has applied for and received investment aid from the Swedish state, which is a state aid that can be received, *inter alia*, for building rental housing in areas with housing shortage. If such investment aid is abolished or if changes in the rules for such aid is made in a negative direction for the Group, it would have a significant impact on future projects' profitability.

When entering into construction agreements, SIBS' wholly-owned subsidiary MOBY Modulärt byggande AB regularly issues construction guarantees as customary when carrying out construction work. Should a material defect entail that MOBY Modulärt byggande AB needs to make use of an issued guarantee, this will lead to increased costs or decreased earnings in relation to the project at hand.

In connection with some agreements regarding disposal of the Group's properties, MOBY Modulärt byggande AB has entered into construction agreements regarding construction on the properties prior to divestment. In connection therewith SIBS has guaranteed MOBY Modulärt byggande AB's obligations under the construction agreements. Accordingly, if MOBY Modulärt byggande AB would not fulfil its material obligations under the construction agreements, there is a risk that claims will be made against SIBS which would affect SIBS' financial position.

In the event of the abovementioned risks are materialized, it could have a negative impact on the valuation of the Group's assets as well as the Group's earnings and profitability. SIBS deems the probability of such risks materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *medium*.

Transaction risk

The Group's ordinary business includes acquisitions and disposals of properties and especially acquisitions involve certain risks. All investments are associated with uncertainties, such as unexpected vacancies, environmental circumstances, technical problems and problems with required permits, which may have a negative impact on the property value or result in unexpected and increased costs and delays in projects. Further, there is a risk that a seller, in connection with an acquisition, may not fulfil its obligations due to financial difficulties, which may affect the Group's possibility to bring forward claims on compensation according to contracted indemnities or warranties (which may also be subject to limitations in amount and time). There is also a risk that the Group in the future will not be able to find suitable properties and projects to acquire or that such properties and project can not be acquired on favorable terms.

The disposal of assets, such as a property, a property owning entity or holdings in such entities involves uncertainties regarding, *inter alia*, price and the ability to get provision for the properties including the willingness and ability of potential buyers to pay for the properties. Further, the Group may be subject to claims due to the sale or the condition of the sold properties. If the Group is unable to get provision at favorable terms or if claims are directed at the Group, this may lead to delays in projects as well as increased and unexpected costs for the properties and transactions.

Some acquisitions have been paid partly through issuance of vendor notes, which are secured by a pledge over the acquired shares as well as guarantees from SIBS. If the payment obligations under the

vendor notes are not fulfilled, the pledge over the shares in the relevant property companies may be enforced or claims may be made against SIBS according to the guarantees, which would adversely affect SIBS' financial position.

The Group has entered into several agreements regarding disposals of all or part of the shares in certain property owning companies where the relevant buyer has paid a deposit to the seller on the signing date. If closing of the transactions will not occur as a result of that conditions for the transaction are not fulfilled, the seller will have to repay the deposit to the buyer. As security for the repayment of the deposits, the sellers have pledged shares in property owning companies and SIBS has guaranteed the seller's obligations of repayment. There is a risk that the relevant subsidiary may not be able to repay the deposits, which would result in that the pledge over the shares in the relevant property owning companies is enforced or that claims are made against SIBS according to the guarantees. This would in turn adversely affect SIBS' financial position.

SIBS deems the probability of such risks materializing to be *low*. If the risks would materialize, SIBS considers the potential impact on the Group's result and the value of the relevant properties to be *medium*.

Employees and subcontractors

The Group's operations include the whole process of housing development and management, from acquisitions and development to production, transport, construction and property management. The knowledge, experience and commitment of the employees' of the Group are important for the Group's future development. The Group would be affected negatively if a number of its employees would leave the Group at the same time, or if a number of key employees would leave.

MOBY Modulärt byggande AB carries out construction work by having their own management on site as project leaders and support as well as construction workers. Occasionally, some of the actual construction work is carried out by subcontractors. Both when using subcontractors as well as own construction workers, efficient project management is essential to the success of the construction projects of MOBY Modulärt byggande AB. Should the project management of MOBY Modulärt byggande AB fail, or should MOBY Modulärt byggande AB not be able to find competent subcontractors when needed, construction projects of MOBY Modulärt byggande AB could be delayed. There is a risk that extensive project delays may entail customer's enforcing claims of liquidated damages or price reductions on certain projects, which could have a negative impact on the Group's profitability.

SIBS deems the probability of such risks materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *low*.

Negative publicity

The Group's reputation is important for its business. Should the reputation be damaged, the Group's customers, potential buyers of projects and other stakeholders could lose trust in SIBS. For instance, should SIBS or any of the members of its senior management team take an action that conflicts with the Group's values, or should any of the projects not meet the market's expectation, the reputation could be at risk. Also unjustified negative publicity could damage the reputation. Reputation damage could have a significant negative impact on the Group's financial position and earnings. SIBS deems the probability

of such risks materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *medium*.

Competition for land allocation for housing purposes

The Group acts in an industry that is exposed to competition. The Group's future competitive opportunities are dependent on, *inter alia*, the Group's ability to be at the forefront and respond quickly to existing and future market needs. On the various markets where the Group is present there is a high demand for buildable land. The Group regularly competes for land allocation for housing purposes. Increased competition could lead to the Group not being able to receive land allocations at a reasonable price which could have a negative impact on the profitability of the Group. SIBS deems the probability of such risks materializing to be *medium*. If the risks would materialize, SIBS considers the potential impact to be *medium*.

1.1.3 **Financial risks**

Refinancing

Refinancing risk is the risk that necessary financing may not be obtained, or could only be obtained at significantly increased costs concerning refinancing of existing debts or new borrowing. The Group may eventually be required to refinance certain or all of its outstanding debt, including the Bonds. As of 31 December 2020, approximately SEK 223,900,000 of the Group's external outstanding debts is to be repaid within 12 months. The Group's ability to successfully refinance its outstanding debt obligations, including the Bonds, at maturity depend on the conditions of the capital markets and its financial condition at such time. The Group's ability to refinance the Bonds and other debt is also restricted in the way the Terms and Conditions only permit certain capital market loans and that issuance of market loans are subject to certain financial undertakings of the Group. Such restrictions together with developments in the credit market, such as deterioration of the overall financial markets or a worsening of general economic conditions, for example as a result of the covid-19 outbreak (see further the risk factor "Covid-19"), could adversely affect the Group's access to financing sources and financing on favorable terms, or at all. The Group's inability to refinance its debt obligations on favorable terms, or at all, could have a negative impact on the Group's ability to refinance its outstanding debt, including the Bonds, at maturity.

The SIBS deems the probability of the above mentioned risks materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *high*.

Financial obligations and guarantees

The Group has obtained financing through construction loans, bond loans, overdraft facilities and bank loans secured by the Group's properties. As of 31 December 2020, the interest-bearing liabilities amounted to SEK 726,894,000, of which SEK 246,530,924 refers to construction loans, overdraft facilities and bank loans and SEK 353,000,000 refers to bond loans. The Group has issued guarantees for some loans. Credit agreements may include financial obligations regarding financial covenants or other provisions, which if they are breached by the Group could lead to the loans being accelerated, leading to immediate repayment or result in the creditor's enforcement of the pledged assets or issued guarantees. Should the Group be in breach of certain provisions set out in certain credit agreements,

the credit institutions may be entitled to accelerate the underlying loans and this could result in other loan agreements (through cross default provisions) being cancelled for immediate repayment or in the collateral being taken over by the credit institution/s concerned. If such events were to materialize there is a risk that the Group will not be able to obtain necessary financing, or that such financing could only be obtained at significantly increased costs. The realization of any of the above would have a negative impact on the valuation of the Group's assets and the Group's profitability. SIBS deems the probability of such risks materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *high*.

Change in exchange rates

The Group owns real estate in Malaysia where their factory is located and has also entered into an agreement regarding purchase of additional real estate in Malaysia for future factory expansion, which entails an exposure towards Malaysian Ringgit ("**MYR**"). The income and expenses of the Malaysian property and factory is denominated in MYR and the property is financed mainly through credit facilities in MYR. In addition, the Group makes purchases in both US Dollar ("**USD**") and MYR and has other costs in MYR in Malaysia. Shipping of the housing modules from the factory in Malaysia to Sweden is paid in USD. Thus, SIBS is exposed towards both MYR and USD and the Group does not use currency hedging. Exchange rate fluctuations could particularly affect the production costs and shipping costs, and thus, the cash flow and the result of the Group's operations. SIBS deems the probability of such risk materializing to be *medium*. If the risks would materialize, SIBS considers the potential impact to be *medium*.

1.1.4 **Legal and environmental risks**

Holding company risks

SIBS is dependent on its subsidiaries, associated entities and other investments in order to receive dividend income. SIBS' ability to make required payments of interest on its debts and funding is affected by the ability of its subsidiaries and other investments to transfer available funds to it, and hence SIBS is dependent on its subsidiaries to fulfil its obligations under the Bonds. The transfer of funds to SIBS from its subsidiaries, associated entities or other investments may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiary, associated entity or investment. Additionally, the subsidiaries and associated entities are separate legal entities and have no obligations to fulfil SIBS' obligations towards its creditors. Further, the subsidiaries and associated entities are permitted under certain circumstances, in accordance with the financial arrangement of the Group, to obtain or maintain external financing and to secure their obligations under such arrangements. Should a default under such external financing occur, this would affect the subsidiaries' or the associated entities' financial ability and possibility to fund SIBS. Furthermore, agreements entered into by SIBS' subsidiaries or associated entities may contain provisions relating to restrictions on distributions and thus, restricting such companies in paying dividend on the shares held by SIBS.

SIBS owns, directly or indirectly, interests in some associated entities, i.e. companies of which SIBS owns 50 per cent. or less of the shares in. Since SIBS does not have full control over these entities, there is a risk that decisions taken in the associated entities will not be in SIBS' interest. Since some of these associated entities are important parts of SIBS' housing development process, there is a risk that

any disagreements between the owners of the associated entities or any decisions taken that is not favorable for SIBS, may result in delays in projects and increased costs for such projects. If the subsidiaries, associated entities or other investments do not provide dividend income, or due to other circumstances, conditions, laws or other regulations, are prevented from providing liquidity to SIBS, there is a risk that SIBS will not be able to fulfil its obligations under the Bonds.

SIBS deems the probability of such risks materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *medium*.

Environmental risks

Property management and property development have an environmental impact. According to the Swedish Environmental Code (Sw. Miljöbalken), everyone who has conducted a business operation that has contributed to pollution, also has a responsibility for after-treatment of the property. If the responsible person is unable to carry out or pay for the after-treatment of a polluted property, the person who has acquired the property is liable for after-treatment provided that the buyer at the time of the acquisition knew of or should have discovered the pollution. This means that claims, under certain conditions, may be raised against the Group for soil remediation or for remediation concerning presence or suspicion of pollution in soil, water areas or ground water, in order to put the property in a condition pursuant to the Swedish Environmental Code. Such claims may have a negative impact on the Group's financial position and earnings and may delay projects, which in turn would also entail increased costs for the Group. Furthermore, changed laws, regulations and requirements from authorities in the environmental area could result in increased costs for the Group with respect to cleaning-up or after-treatment regarding currently held or in the future acquired properties (see further the risk factor "Legal and regulatory risks" above). SIBS deems the probability of such risks materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *medium*.

Legal and regulatory risks

Changes in laws and regulations may be introduced which affect ownership of land, environmental planning, land use and/or development regulations. Such changes could have an adverse effect on the financial conditions of the Group. Unexpected land use and zoning and planning restrictions and harder requirements regarding environmental protection, safety and other matters could have the effect of increasing the expenses of SIBS projects and lowering the income or rate of return from the Group, as well as adversely affecting the value of the properties. Such events could also delay SIBS' projects, which would entail higher costs than foreseen. The Group's operations are also affected by the tax rules in force, from time to time, in Sweden. Since these rules have historically been subject to frequent changes, further changes are expected in the future (potentially with retroactive effect). Such changes could have a significant negative impact on the Group's financial position and earnings. SIBS deems the probability of such risks materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *high* regarding taxes and *medium* regarding other changes in laws or regulations.

Working environment

Construction work as well as production of the housing modules in the factory in Malaysia may entail a work environment with a high risk for accidents and personal injuries for individuals working on site.

Should the Group fail in following relevant laws and regulations relating to work environment as well as implementing and follow efficient work environment policies, this could lead to accidents that entails increased costs and decreased profitability of the Group as well as have a material negative impact on the reputation of the Group. SIBS deems the probability of such risks materializing to be *medium*. If the risks would materialize, SIBS considers the potential impact to be *low*.

1.2 Risks related to the Bonds

1.2.1 Financial risks

Structural subordination and dependency on subsidiaries

Since SIBS is the parent company to the Group's property owning companies, SIBS is dependent upon receiving dividends and group contributions from its subsidiaries and other investments to be able to fulfil its obligations under the Terms and Conditions. The Bonds are not guaranteed by any of these subsidiaries or any other company or person. This means that the Bonds are structurally subordinated to any indebtedness raised in any of the property owning subsidiaries, and so the creditors of such indebtedness have priority over the bondholders to the assets and revenue generated in the subsidiaries. The Terms and Conditions do not include any restriction on the ability of the Group to incur additional indebtedness (other than the restrictions that SIBS may only issue market loans if (i) the net proceeds is applied in full towards refinancing of any market loan of SIBS or certain financial undertakings relating to the equity ratio is met, (ii) the market loan ranks *pari passu* with or is subordinated to the obligations under the Bonds, (iii) the market loan has a longer maturity than the Bonds and (iv) the market loan is unsecured). In the event a subsidiary becomes subject to liquidation, company reconstruction or bankruptcy there is a risk that SIBS will not receive dividends or contributions from the subsidiary. SIBS deems the probability of such risk materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *high*.

The Group has within the framework of its financing raised loans from credit institutions and has thereby pledged mortgage deeds in certain properties. SIBS also intends to continue seeking appropriate and attractive financing and may in connection thereto grant security for such financing. There is a risk that the pledge over such assets will be enforced. SIBS deems the probability of such risk materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *high*.

Credit risk

Investments in bonds in general entail a certain degree of risk for investors, including the risk of losing the value of the entire investment. Investors who invest in the Bonds become exposed to a credit risk in relation to SIBS and the Bonds carry a, relatively, high interest, which is to be regarded as a compensation for the, relatively, higher risk an investor carries compared to an investment in Swedish government bonds. The investor's ability to receive payment under the Terms and Conditions is dependent on the Group's ability to fulfil its payment obligations, which in its turn is dependent on the development of the Group's business activities and its financial position. The Group's financial position is affected by several risk factors, of which a number have been discussed above. An increased credit risk may cause that the Bonds will be attached with a higher risk premium by the market, which would affect the Bonds' value and price in the secondary market negatively. Another aspect of the credit risk is that a deteriorating financial position may cause the Group's credit rating to decrease, which could

negatively affect the possibility for SIBS to refinance the Bonds at maturity. SIBS deems the probability of such risks materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *high*.

Interest rate risk

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. The interest rate of the Bonds is calculated as 3 months STIBOR plus an interest margin. As market interest rates in Sweden are relatively low compared historically, there is a risk that market rates increase in the future. Investments in the Bonds involve a risk that the market value of the Bonds may be negatively affected by increases in market interest rates, as bonds or notes issued in a higher interest environment may yield a higher total return than the Bonds, which may make it difficult for the bondholders to sell the Bonds on a time and at a price acceptable to the bondholder. SIBS deems the probability of such risk materializing to be *medium*. If the risks would materialize, SIBS considers the potential impact to be *medium*.

In order to ensure the reliability of reference rates (such as STIBOR), legislative action at EU level has been taken. Hence, the so-called Benchmark Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indexes used as reference values for financial instruments and financial agreements or for measuring investment fund results and amending Directives 2008/48/EC and 2014/1 TEU and Regulation (EU) No 596/2014) were added and entered into force on 1 January 2018. The Benchmark Regulation regulates the provision of reference values, reporting of data bases for reference values and use of reference values within the EU. Since the benchmark regulation has only been applied for a short period of time, the effects of it so far are difficult to assess. However, there are future risks that the benchmark regulation affects how certain reference rates are determined and how they are developed. This in conjunction with increased administrative requirements can lead to a reduced number of entities involved in the determination of reference rates, which, in such case, would lead to a certain reference interest ceasing to be published. As the interest rate of the Bonds are calculated as 3 months STIBOR plus an interest margin, an investor in the Bonds may be adversely affected if STIBOR ceases to be calculated or administered, or if revisions are made to the way STIBOR is determined in the future, an investor in the Bonds may be adversely affected. SIBS deems the probability of such risk materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *low*.

Risks related to admission to trading

SIBS has undertaken to ensure that the Bonds are listed on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market within certain stipulated time periods, as defined in the Terms and Conditions. Failure to obtain listing in time, or failure to maintain such listing, would provide each bondholder with a right of prepayment (put option) of its Bonds. SIBS deems the probability of failure to obtain and maintain listing of the Bonds on a Regulated Market, as *low*. If the risks would materialize, SIBS considers the potential impact to be *high*.

Even if the Bonds are admitted to trading on a Regulated Market, the liquidity and trading price of the Bonds may vary as a result of numerous factors, including general market movements and irrespective of SIBS' performance. This may entail that a bondholder cannot sell his or her Bonds at the desired time or at a yield which is comparable to similar investments that have an existing and functioning secondary market. A lack of liquidity in the market may have a negative impact on the market value of the Bonds. There is a risk that a demand for and trading with the Bonds does not occur or is not maintained.

SIBS deems the probability of the secondary trading in the Bonds being impacted as described above as *low*. If the risks would materialize, SIBS considers the potential impact to be *medium*.

Risk related to green bonds

The Bonds are defined as green bonds according to the SIBS' green bond framework (the "**Green Bond Framework**") as it is worded on the issue date of the relevant Bonds. The Green Bond Framework, as well as market practice for green bonds, may be amended and develop after the first issue date, thus affecting any requirements applicable to SIBS in respect of any subsequent Bonds. Amendments to the Green Bond Framework after the first issue date will not affect the conditions applicable to the Bonds issued as at the first issue date. SIBS' failure to comply with the Green Bond Framework or use the proceeds from the issue of the Bonds in accordance therewith does not constitute an event of default under the Terms and Conditions, and would not permit bondholders to exercise any early redemption rights or receive any other type of compensation for non-compliance with the Green Bond Framework. Hence, there is a risk that expectations of investors, insofar such expectations are related to the compliance with the Green Bond Framework, are not met. SIBS deems the probability of such risk materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *low*.

1.2.2 Risks related to the Bondholders' rights and representation

Priority rights

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of SIBS and shall rank at least *pari passu* with other direct, general, unconditional, unsubordinated and unsecured obligations of SIBS. This means that a bondholder, in the event of SIBS' liquidation, company reconstruction or bankruptcy, normally would receive payment after any prioritized creditors (e.g. lenders or investors that have the benefit of security) have received payment. The Terms and Conditions do not include a general so called "negative pledge" undertaking and hence SIBS may post security to other lenders which would not secure the Bonds. Each investor should be aware of the risk that a bondholder may lose the whole, or parts of, his or her investment in the event of SIBS' liquidation, bankruptcy or company reconstruction. SIBS deems the probability of such risk materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *high*.

Risks related to acceleration of the Bonds and put options

SIBS is required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Bonds. Upon the occurrence of an Event of Default (as specified in the Terms and Conditions), the Bonds may be accelerated at the terms and price set out in the Terms and Conditions. Furthermore, upon the occurrence of a Change of Control Event or a Listing Failure Event (as defined in the Terms and Conditions), each bondholder will have a right to request (put option) that all, or only some, of its Bonds

be repurchased at the terms and price set out in the Terms and Conditions. Following any of the above mentioned events, there is a risk that SIBS will not have sufficient funds at the time of such acceleration or repurchase to make the required redemption of, or payment in respect of, the Bonds. This could in turn adversely affect SIBS' ability to meet its financial obligations and consequently affect all bondholders, including those who did not exercise the option. SIBS deems the probability of such risk materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *high*.

Voluntary early redemption

SIBS has a right under the Terms and Conditions to redeem all outstanding Bonds in full prior to the final redemption date. The early redemption right exists during the whole time period prior to the final redemption date, although the redemption price changes after certain periods.

Such a right could affect the market value of the Bonds and there is a risk that the market value of the Bonds is higher than the price at which SIBS may be entitled to redeem the Bonds. If SIBS exercises its right to early redemption of the Bonds when the market value of the Bonds is higher than the relevant redemption price, it could affect the investor's possibilities to re-invest the repaid amount on the same terms as the terms of the redeemed Bonds. It is further possible that SIBS will not have sufficient funds at the time of the prepayment to carry out the redemption. SIBS deems the probability of such risk materializing to be *low*. If the risks would materialize, SIBS considers the potential impact to be *low*.

2 RESPONSIBILITY FOR THE PROSPECTUS

SIBS has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Bonds Issue and the performance of its obligations relating hereto. The issuance of the Subsequent Bonds on 23 March 2021 was authorised by resolutions taken by the board of directors of SIBS on 22 March 2021.

The board of directors is responsible for the information contained in this Prospectus. The board of directors confirms that, to the best of their knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

The information in this Prospectus and in the documents incorporated by reference which derive from third parties has been accurately reproduced and, as far as SIBS is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Information on websites that are referenced in the Prospectus have not been scrutinised or approved by the Swedish Financial Supervisory Authority (“**SFSA**”) and does not form part of the prospectus unless that information is incorporated by reference.

The Prospectus has been prepared in relation to the Company’s admission to trading of the Bonds on the sustainable bond list of Nasdaq Stockholm, in accordance with Regulation (EU) 2017/1129.

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

Stockholm on 30 April 2021

SIBS AB (publ)

The board of directors

3 SUMMARY OF THE BOND LOAN

This section provides a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference (see below section 10) and the full Terms and Conditions for the Bonds, which can be found in the section 11 “Terms and Conditions for the Bonds”, before a decision is made to invest in the Bonds.

3.1 The Bonds

The Bonds are senior unsecured floating rate green bonds. The aggregate nominal amount of the Bonds is maximum SEK 600,000,000 represented by a maximum number of 480 Bonds denominated in SEK, each Bond with a Nominal Amount of SEK 1,250,000. As of the date of the Prospectus 440 Bonds totalling SEK 550,000,000 have been issued. The Company may at one or more occasions issue Subsequent Bonds in accordance with Clause 2.5 of the Terms and Conditions, until the total amount of Subsequent Bonds and the Initial Bonds equals SEK 600,000,000. For the avoidance of doubt, this Prospectus has been prepared solely for the purpose of admitting the loan constituted by the First Subsequent Bond Issue as described below, equivalent to 120 Bonds, for trading at Nasdaq Stockholm. The Bonds ISIN is SE0014965729, the Bonds FISN-code is SIBS/FRN DEBT 20240419 and the Bonds CFI-code is DBVNDR.

Initial Bond Issue

The Company issued an initial bond of SEK 400,000,000 on October 19, 2020 (the “**Initial Bond Issue**”). A prospectus for the admission to trading on Nasdaq Stockholm of the loan constituted by the Initial Bond Issue, represented by 320 Bonds, was published on November 23, 2020.

First Subsequent Bond Issue

On March 23, 2021 the Company issued subsequent bonds of SEK 150 000 000 (the “**First Subsequent Bond Issue**”). This Prospectus has been prepared solely for the purpose of admitting the loan constituted by the First Subsequent Bond Issue, equivalent to 120 Bonds, for trading at Nasdaq Stockholm.

The Bonds have been issued in accordance with Swedish law and are affiliated to the account-based system of Euroclear AB (P.O. Box 191, SE-101 23 Stockholm, Sweden). Holding of the Bonds is recorded at each Bondholder’s Securities Account. No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding of preliminary tax will be made through Euroclear’s book-entry system.

3.2 Use of proceeds

SIBS shall use an amount corresponding to the Net Proceeds (gross proceeds from the issue of the Bonds, less the costs and expenses incurred by the Issuer in connection with the issue of the Bonds) for general corporate purposes of the Group in accordance with the Green Bond Framework.

3.3 Admission to trading

SIBS shall ensure that the Bonds issued on the First Issue Date remains admitted on Nasdaq Stockholm or on another Regulated Market and that, upon any issuance of Subsequent Bonds, such Subsequent Bonds are listed not later than sixty (60) calendar days after the relevant Issue Date, and that the volume of listed Bonds is increased accordingly. The estimated total expenses related to the admission to trading of the Bonds are expected not to be in excess of SEK 150,000.

The Bonds will be listed on the sustainable bond list of Nasdaq Stockholm, which is a Regulated Market.

3.4 Status of the Bonds

The Bonds are in the form of debt instruments intended for public sale. A Bond confirms that the Bondholder has a claim against SIBS. The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of SIBS and shall at all times rank *pari passu* and without any preference among them, and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Company except obligations which are preferred by mandatory regulation. The Bonds are freely transferable and trading with the Bonds between investors may occur from the date the Bonds were issued. The Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds under local laws to which a Bondholder may be subject. The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any other jurisdiction.

3.5 Issuance and maturity

The Bonds were first issued on 19 October 2020 (the Initial Bonds). SIBS shall redeem all, but not some only, of the outstanding Bonds in full on the Final Redemption Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest, unless and to the extent not previously redeemed or repurchased in accordance with the Terms and Conditions. The Final Redemption Date shall take place on the first business day occurring three and half (3.5) years after the First Issue Date, *i.e.* 19 April 2024. Payment of the Nominal Amount and accrued but unpaid Interest shall be made to the person who is registered on a Securities Account as Bondholder, or to the person who is otherwise entitled to receive payment under a Bond on the Record Date prior to the Redemption Date. The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the Redemption Date.

3.6 Purchase of the Bonds by SIBS, any Group Company and any Associated Entity

SIBS may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by SIBS, a Group Company or an Associated Entity may at SIBS', such Group Company's or such Associated Entity's discretion be retained or sold but may not be cancelled by SIBS other than in connection with a redemption of the Bonds in full.

3.7 Issuer's Call Option

SIBS has the right to redeem the Bonds in whole, but not in part, (i) at any time prior the First Call Date at an amount per Bond equal to the amount per Bond payable pursuant to paragraph (ii) below together with accrued but unpaid Interest plus the Applicable Premium, (ii) at any time from and including the First Call Date to, but excluding the Business Day falling thirty-six (36) months after the First Issue Date at a price per Bond equal to 100 per cent of the Nominal Amount plus 2.40 per cent of the Nominal Amount, together with accrued but unpaid Interest, and (iii) any time from and including the first Business Day falling thirty-six (36) months after the First Issue Date to, but excluding, the Final Redemption Date at a price per Bond equal to 100 per cent of the Nominal Amount plus 0.80 per cent of the Nominal Amount, together with accrued but unpaid Interest.

Further, SIBS may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by SIBS if it is or becomes unlawful for SIBS to perform its obligations under the Finance Documents, in accordance with Section 10.4 (*Early redemption due to illegality (call option)*) of the Terms and Conditions.

3.8 Put Option

Each Bondholder shall have the right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101 per cent of the Nominal Amount together with accrued but unpaid Interest if a Change of Control Event occurs or a Listing Failure Event occurs, in accordance with Section 10.5 (*Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)*) of the Terms and Conditions.

3.9 Acceleration of the Bonds

Under certain conditions specified under Section 14 (*Acceleration of the Bonds*) of the Terms and Conditions, the Bondholders are entitled to request that SIBS redeems the Bonds at an amount per Bond together with a premium of the due and payable amount as set forth in Clause 10.3.1 of the Terms and Conditions for the relevant period, but shall up until the First Call Date be the price set out in paragraph (b) of Clause 10.3.1, (for the avoidance of doubt, together with accrued but unpaid Interest).

3.10 Interest

Each Initial Bond and First Subsequent Bond carries an interest at three months STIBOR plus 8.00 per cent *per annum* from the issue date up to the relevant Redemption Date. Interest is paid quarterly in arrears on each Interest Payment Date and is calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 days (Day-count fraction is Actual/360-days basis). Interest Payment Date means 19 January, 19 April, 19 July and 19 October of each year. The right to payment of Interest shall be time-barred and become void three (3) years after each Interest Payment Date.

3.11 Representation of the holders

Nordic Trustee & Agency AB (publ) is acting as agent for the holders in relation to the Bonds, and if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. By acquiring Bonds, each Bondholder confirms such appointment and authorisation for the agent to act on its behalf in any legal or arbitration proceedings relating to the Bonds held by such Bondholder. An agency agreement was entered into between the Agent and the Company on or about the First Issue Date regarding, among others, the remuneration payable to the Agent and indemnification. The agency agreement is available at the Agent's office address (Norrandsgatan 23, SE-111 43 Stockholm, Sweden) during normal business hours and at SIBS' website www.sibsab.com. The Agent may, at any time, convene a Bondholders' meeting or instigate a Written Procedure among Bondholders, which may lead to a majority decision in order to bind all Bondholders, see Section 16 (*Decisions by Bondholders*) of the Terms and Conditions. The rights and obligations of the Agent are further set forth in the Terms and Conditions.

3.12 Benchmark Regulation

The interest payable under the Bonds is calculated by reference to the benchmark STIBOR, as defined in the Terms and Conditions. Since 20 April 2020 STIBOR is administrated by Swedish Financial Benchmark Facility AB ("**SFBF**") (a wholly owned subsidiary of Global Rate Set Systems Ltd). SFBF assumes overall responsibility and is the principal for STIBOR. As of the date of this Prospectus SFBF is not included in the register referred to in article 36 in Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 ("**BMR**"). As far as SIBS is aware, the transitional provisions in Article 51 of the BMR apply, such that SFBF is not currently required to obtain authorisation or registration.

3.13 Advisers

Swedbank AB (publ) has acted as Issuing Agent and Sole Bookrunner in connection with the Bonds Issue. Walthon Advokater AB has acted as the legal advisor to SIBS in connection with the Bonds Issue.

4 DESCRIPTION OF THE COMPANY AND THE GROUP

4.1 Company description

SIBS AB (publ), company registration no 559050-3073, is a Swedish public limited liability company having its registered address in Stockholm. The Company was founded on 26 January 2016 in accordance with Swedish law and was registered by the Swedish Companies Registration Office on 5 February 2016.

The Company's operations are mainly regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

The operational objective of the Company is to conduct industrial construction business as well as to own and manage real estate and conduct thereto related business.

4.2 SIBS in short

| | |
|--------------------------------------|--|
| <i>Legal form</i> | Public limited liability company. |
| <i>Corporate registration number</i> | 559050-3073. |
| <i>Regulative legislation</i> | Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i>). |
| <i>LEI-code</i> | 549300VGYK38LKTOLN25. |
| <i>Incorporated</i> | On 26 January 2016. |
| <i>Head office</i> | Municipality of Stockholm. |
| <i>Address</i> | Sibyllegatan 17, 114 42 Stockholm. |
| <i>Phone number</i> | +46 (0)70-755 78 98 and +46 (0)70-755 78 98. |
| <i>Website</i> | www.sibsab.com (the information on the website does not form part of the prospectus unless that information is incorporated by reference into the Prospectus). |
| <i>Legal/commercial company name</i> | SIBS AB (publ). |
| <i>Operational objective</i> | SIBS' operational objective of the Company is to conduct industrial construction business as well as to own and manage real estate and conduct thereto related business. |
| <i>Organisational structure</i> | SIBS AB (publ) is the parent company of the SIBS Group. Please refer to " <i>Organisational structure</i> " below for information regarding the main subsidiaries of SIBS. |

4.3 Business overview

General

SIBS is a Swedish property developer of residential buildings founded in 2016 with the goal of revolutionizing the construction industry by making it more industrialized and efficient in nature. Today SIBS consist of a group of five operational companies with more than 450 employees.

Business idea

SIBS' operations span across the entire real estate development value chain; from procuring the land, designing the building, producing the modules in its own factory, transportation to the production site, on-site assembly and long-term ownership of the complete properties.

SIBS has developed its own proprietary building system called parametric modularization, whereby most of the design work is automated and produces buildings tailored to fit almost any type of zoning restriction. Ninety per cent of the building is completed off-site. This allows SIBS to shorten the project lead time and reduce the overall cost as well as focus on environmental sustainability across every aspect of its business.

SIBS is headquartered in Stockholm. A production facility in Malaysia (Penang) undertakes most of the building of the housing modules.

Vision

SIBS strive to be the most effective developer, producer and owner of residential housing globally. SIBS' vision is to change the industry by optimizing every aspect of building design, production, construction and management whilst maintaining focus on environmental sustainability and design flexibility.

4.4 SIBS building system

SIBS' main subsidiaries form integral parts in the different stages of the Group's real estate development operations.

MOKO AB performs the design and development phase by utilising a proprietary configuration tool, which enables for automated project design based on the input of certain key parameters. MOKO AB is comprised of a multi-disciplinary team of professionals within design, industrial construction and energy.

The production phase is carried out at SIBS factory in Penang, Malaysia, which is owned by Scandinavian IBS Sdn Bhd. The factory has been fully operational since 2019 and employing over 430 local workers.

Frontlog AB performs the procurement and logistics planning for all SIBS' transports and taking responsibility for the delivery of modules from the factory in Malaysia to construction sites in Sweden. SIBS invested in the company in 2018, to secure in-house logistics and freight management resources.

MOBY Modulärt byggande AB is the Group's wholly owned construction management subsidiary and is responsible for procuring and managing all on-site construction works and assembly. In some cases, on-site construction is carried out by subcontractors, which are managed directly by MOBY Modulärt byggande AB.

Sveaviken Bostad AB, SIBS' property management subsidiary, manages the Group's residential portfolio.

4.5 Partnership with Slättö

SIBS, through its indirect wholly owned subsidiary Sveaviken Holding 3 AB, owns 50 per cent. of the shares in Slättö Sveaviken Holding 1 AB (the "**JV-company**"), a joint venture with Slättö VII Holding 3 AB, 50 per cent. of the shares in Slättö Sveaviken Holding 2 AB (the "**JV2-company**"), a joint venture with Slättö IV Holding AB and 49.9 percent of the shares in Slättö Sveaviken Holding 3 AB (the "**JV3-company**"), a joint venture with Slättö Core Plus Holding AB.

Regarding the JV-company, the parties have entered into a shareholders' agreement, according to which the JV-company shall acquire, directly or indirectly, properties with building rights for residential buildings, which shall be assigned by one of the parties or a third party. Furthermore, the JV-company will enter into a construction agreement with SIBS' subsidiary MOBY Modulärt byggande AB regarding the construction of turnkey buildings in accordance with the project plan adopted at any given time.

The JV-company has entered into agreements for the purchase of all shares in three companies, Slättö PU 5 AB, Fastighets Futura Lund AB and Slättö VII Holding 1 AB, thereby indirectly acquiring the companies' properties. The properties concerned are located in Örebro, Lund and Stockholm, and the transactions will be closed on 31 December 2020 at the latest.

Regarding the JV2-company, the parties have entered into a shareholders' agreement, according to which the JV2-company shall acquire all shares in a real estate company owning six properties in Nykvarn, near Södertälje. The parties have agreed to jointly, through the JV2-company, build multi-family residential buildings on the properties. The JV2-company will enter into a construction agreement with SIBS' subsidiary MOBY Modulärt byggande AB for the construction of the multi-family residential buildings. The transaction is expected to take place at the end of 2020.

Regarding the JV3-company, the parties have entered into a shareholders', according to which the JV3-company shall acquire all shares in a real estate company owning two properties in Haninge, south of Stockholm. The parties have agreed to jointly, through the JV3-company, build multi-family residential buildings on the properties. The JV3-company will enter into a construction agreement with SIBS' subsidiary MOBY Modulärt byggande AB for the construction of the multi-family residential buildings. The project is estimated to be finalised in the second quarter of 2022.

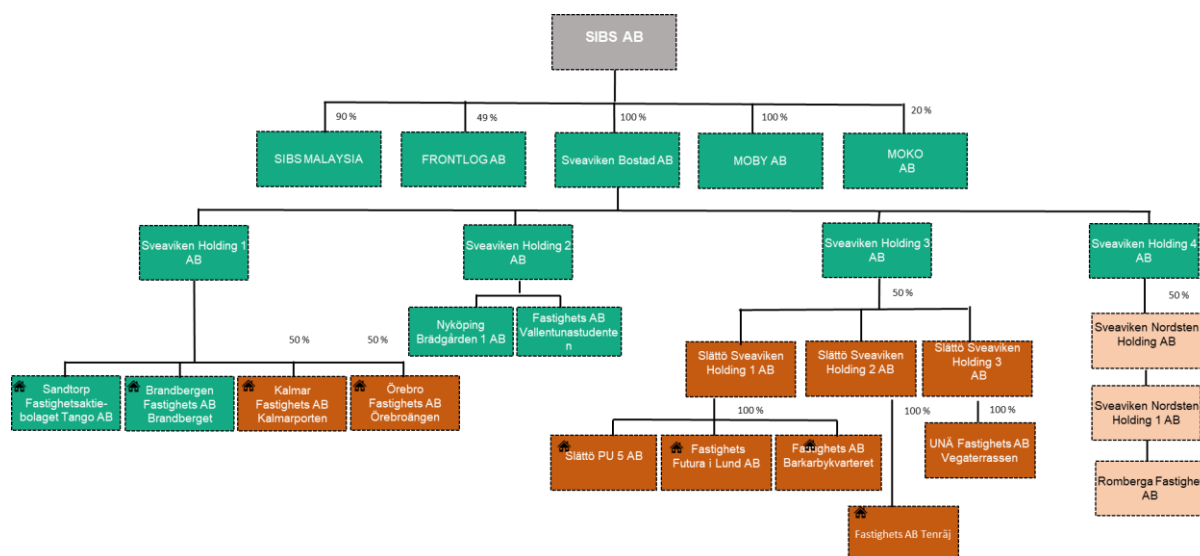
4.6 Organisational structure

As of the date of the Prospectus, the SIBS Group consist of 21 companies. Out of these, five companies are directly owned by SIBS AB (publ), which is the parent company of the Group. The Group consists of real estate owning companies and holding companies of the real estate owning companies. However, the main subsidiaries and associated companies of the SIBS Group are:

| Subsidiaries/Reg. No/Domicile | Share in % ¹⁾ |
|--|--------------------------|
| MOKO AB, Reg. No 559143-4427 | 20.00% |
| Scandinavian IBS Sdn Bhd, Reg. No 1193908-H | 90.00% |
| FRONTLOG AB, Reg. No 559171-7938 | 49.00% |
| MOBY Modulärt byggande AB, Reg. No 559151-7544 | 100.00% |
| Sveaviken Bostad AB, Reg. No 559050-3065 | 100.00% |

¹⁾ The ownership of capital, which also corresponds to the percentage of votes of the total number of shares.

Below is the structure of the SIBS Group set out as of the date of the Prospectus:



SIBS is dependent on its subsidiaries investments, in order to receive dividend income. SIBS' ability to make required payments of interest on its debts and funding is affected by the ability of its subsidiaries and other investments to transfer available funds to it, and hence SIBS is dependent on its subsidiaries to fulfil its ongoing operations.

5 OWNERSHIP STRUCTURE

The table below lists the shareholders in the Company as of the date of the Prospectus.

| Shareholder | Number of shares | Share in % |
|--|------------------|----------------|
| Industrium AB, Reg. No 556920-0941 | 150,000 | 30.00% |
| Landera AB, Reg. No 556785-5944 | 94,440 | 18.89% |
| Ramstedt Gruppen AB, Reg. No 556769-5563 | 73,060 | 14.61% |
| Exoro Capital AB, Reg. No 556495-6174 | 51,110 | 10.22% |
| Neptunia Invest AB, Reg. No 556986-5453 | 75,000 | 15.00% |
| Skageberget AB, Reg. No 556959-6967 | 24,890 | 4.98% |
| Trenton Group AB, Reg. No 556764-8364 | 23,000 | 4.60% |
| Landrosen AB, Reg. No 559165-0287 | 6,000 | 1.20% |
| Carl Saidac AB, Reg. No 559256-2465 | 2,500 | 0.50% |
| Total | 500,00 | 100.00% |

6 THE BOARD OF DIRECTORS, MANAGEMENT AND AUDITOR

The board of directors of the Company consists of four (4) members and no deputy. The board of directors and management can be reached via SIBS' registered address Sibyllegatan 17, 114 42 Stockholm or by telephone +46 (0)70-755 78 98 and +46 (0)70-755 78 98.

6.1 Board of directors

Jonas Ramstedt

Chairman of the board and Co-founder (since 2016)

Experience: Principal owner and CEO of Landia AB and Ramstedt Gruppen AB. Co-owner of Landera AB.

Other significant assignments: CEO and board member of Ramstedt Gruppen AB, Reg. No 556769-5563, and Landia AB, Reg. No 559066-7563. Board member of Landera AB, Reg. No 556785-5944, Collage Intressenter Stockholm AB, Reg. No 559016-3225, and Landexo AB, Reg. No 559101-2777.

Education: Master of Business Administration (MBA) and Financial Accounting degree from the Stockholm School of Economics (SSE).

Erik Thomaeus

Board member, Founder and CEO (since 2016)

Experience: Owner of Exoro Capital AB, Industrium AB and Landexo AB.

Other significant assignments: Board member of Exoro Capital AB, Reg. No 556495-6174, Kelon AB, Reg. No 556706-2707, Industrium AB, Reg. No 556920-0941, Exoro Wine Import AB, Reg. No 556999-7983, and Volterra Holding AB, Reg. No 559258-8593. Deputy board member of Landexo AB, Reg. No 559101-2777.

Education: Bachelor Degree in International Economics and Management from Bocconi University.

Pär Thomaeus

Board member and Founder (since 2016)

Experience: Owner of Exoro Capital AB, Industrium AB and Landexo AB.

Other significant assignments: CEO and board member of Volterra Holding AB, org.nr 559258-8593. Board member of Exoro Capital AB, Reg. No 556495-6174, Kelon AB, Reg. No 556706-2707, Industrium AB, Reg. No 556920-0941, Exoro Wine Import AB, Reg. No 556999-7983, and Landexo AB, Reg. No 559101-2777.

Education: Bachelor Degree in Finance from St. Louis University.

Johan Karlsson

Board member and Co-founder (since 2018)

Experience: Co-owner of Neptunia Invest AB (publ). Founder and managing partner of Slättö Förvaltning.

Other significant assignments: CFO and board member of Slättö Förvaltning AB, Reg. No 556920-6724, and Neptunia Invest AB (publ), Reg. No 556986-5453. Board member of Brofund Group AB, Reg. No 556932-0541, Eklund Stockholm New York AB, Reg. No 556787-1941, and Collage Intressenter Stockholm AB, Reg. No 559016-3225.

Education: Studies in Business Law at Linköping University.

6.2 Senior management

Erik Thomaeus, CEO. Please see above.

Ulf Thomaeus, CFO.

Erik Söderholm, Chief Technology Officer (CTO).

Erik is also board member in MOBY Modulärt byggande AB and ImproviCon AB.

6.3 Conflicts of interests

Erik Thomaeus and Pär Thomaeus are brothers. Ulf Thomaeus is their cousin. All board members are shareholders in the Company, indirectly through one or several companies, which could entail potential conflicts of interest. Save for this, there are no other conflicts of interest between the private interests of the board members or the senior management and SIBS' interests.

6.4 Auditor

The auditor of SIBS is Öhrlings PricewaterhouseCoopers AB. Peter Burholm, born 1968, is SIBS' responsible auditor at Öhrlings PricewaterhouseCoopers AB. Peter Burholm is a Certified Public Accountant, member of FAR and partner at Öhrlings PricewaterhouseCoopers AB. Peter Burholm has been the auditor of SIBS since 2016. The auditor can be contacted at Öhrlings PricewaterhouseCoopers AB, Torsgatan 21 in Stockholm.

7 FINANCIAL INFORMATION

7.1 Historical financial information

The Company's annual reports for the financial years 2019 and 2018 and year-end report for the period 1 January – 31 December 2020 have been incorporated in this Prospectus by reference. The information

incorporated by reference is to be read as part of the Prospectus. The annual reports for the financial years 2019 and 2018 have been audited by the Company's auditor. The year-end report for the period 1 January – 31 December 2020 have not been audited or reviewed.

The annual report for the financial year 2019 has been prepared in accordance with the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*), the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups (Sw. *RFR 1 Kompletterande redovisningsregler för koncerner*), the International Financial Reporting Standards ("IFRS"). The annual report for the financial year 2018 has been prepared in accordance with the Swedish Annual Accounts Act and the Accounting Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3) (Sw. *Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovising och koncernredovising (K3)*). The year-end report for the period 1 January – 31 December 2020 have been prepared in accordance with the Swedish Annual Accounts Act, IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups.

Other than the auditing of the Company's annual reports for the financial years 2019 and 2018, the Company's auditor have not audited or reviewed any other parts of this Prospectus.

7.2 Significant changes in SIBS' financial position

There has been no material adverse changes in the prospects of the Group or other significant change in the financial performance or the financial position of the Group since the end of the last financial period for which interim financial information has been published. There has been no recent events particular to the Company which to a material extent are relevant to the evaluation of the Company's solvency.

However, the spread of Covid-19, is a great concern to the world, not only due to its impact on people's lives and habits but also in terms of the impact on society as well as the future economic development. The Group's factory in Malaysia was closed for four weeks during 2020, which had a limited impact on the Group's operations. Beyond that, the outbreak of Covid-19 has so far had minimal impact on the Group's operations.

7.3 Age of financial information

The most recent audited financial information derives from the Company's annual report for the financial year 2019 with balance date 31 December 2019.

8 LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

8.1 Legal and arbitration proceedings

There has been no governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which SIBS is aware), during the last 12 months which may have, or have had in the recent past, significant effects on SIBS or the SIBS Group's financial position or profitability.

8.2 Insurances

SIBS is covered by for the industry customary commercial, property and construction insurances. Given the nature and the scope of the business, the board of SIBS deems that the parent company and its subsidiaries are covered by satisfactory insurances.

8.3 Environmental activities

Property management, construction and property development have environmental impact. The Swedish Environmental Code (Sw. *miljöbalken*) states that everyone who has conducted a business operation that has contributed to pollution also has a responsibility for after-treatment of the property. If the responsible person cannot carry out or pay for the after-treatment of a polluted property, the person who has acquired the property is liable for after-treatment provided that the buyer at the time of the acquisition knew of or should have discovered the pollution. This means that claims, under certain conditions, may be raised against the SIBS Group for soil remediation or for remediation concerning actual or suspected pollution in soil, water areas or ground water, in order to put the property in a condition pursuant to the Swedish Environmental Code.

Legislation and environmental standards constitute the basis for SIBS' environmental work. The SIBS Group complies with the laws and regulatory requirements that exist for properties.

8.4 Possible material interests

The Joint Bookrunners may in the future engage in investment banking and/or commercial banking or other services for the SIBS Group in the ordinary course of business. Therefore, conflicts of interest may arise as a result of the Joint Bookrunners engaging in the future in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

8.5 Description of Material Contracts

Property transactions

The SIBS Group regularly carries out property transactions, acquiring and divesting properties, as part of its ongoing operations. The Group's property acquisitions are made partly through land allocation agreements with municipalities and partly through indirect property acquisitions where the Group acquires property holding companies from external parties. The Group's property divestments are primarily made to the JV-companies with Slättö. The transaction agreements are material to the Group as the properties are essential to its real estate development operations.

Partnership with Slättö

The Group has a partnership with the real estate private equity fund manager Slättö through three joint ventures, the JV-company, the JV2-company and the JV3-company. Within the partnership, Slättö contributes all equity and arranges all bank financing, while SIBS contributes properties at cost and the building system. The objective of the partnership is to construct turnkey buildings and multi-family residential buildings. The parties assume equal ownership of the JV-company and JV2-company, and

SIBS own 49.9 per cent and Slättö own 50.1 per cent of the shares and votes in the JV3-company. For further information regarding the partnership, see section 4.5 of this Prospectus.

Rental agreements

Rental agreements are of significant importance to the SIBS Group's business. As SIBS' portfolio includes different types of properties, the rental agreements vary as regards terms and conditions. The SIBS Group is not dependent on any particular rental agreement.

Construction contracts

Within the scope of the construction and property development operations, MOBY Modulärt byggande AB enters into construction contracts (Sw. entreprenadavtal). Generally, the terms and conditions of these contracts do not deviate from the standard-form contracts used within the construction industry and MOBY Modulärt byggande AB provides customary construction guarantees. In connection with construction projects, external sub-contractors are frequently engaged. MOBY Modulärt byggande AB is not dependent on any particular sub-contractor or supplier.

Cooperation agreement with MOKO AB

The Company has entered into a cooperation agreement with its subsidiary MOKO AB regarding the development of a design platform for prefabricated building systems. The collaboration is based on MOKO AB developing a new quality-assured design methodology for prefabricated building systems with advanced computer support for the Company. The Company finances all development and updating work. In addition, the parties have introduced an incentive program based on sharing the benefits of the efficiency improvements made possible by the building system and the computer support that has been developed.

Purchasing agreements

The SIBS Group enters into purchasing agreements with its subsidiary Scandinavian IBS Sdn Bhd in Malaysia for each of the Group's projects (i.e. one contract per project). The purchasing price equals the actual costs plus a 5 per cent surcharge.

Financing agreements

SIBS is financed by equity capital and debt. The main part of the debts is short term interest-bearing debts. The Group has obtained financing through construction loans, overdraft facilities and bank loans secured by the Group's properties. As of 31 December 2020, the interest-bearing liabilities amounted to SEK 726,894,000, of which SEK 246,530,924 refers to construction loans, overdraft facilities and bank loans and SEK 353,000,000 refers to bond loans.² The Group has issued guarantees for some loans and credit agreements may include financial obligations and financial covenants or other provisions.

² The information is derived from the balance sheet, income statement and cash flow statement of SIBS Group year-end report for the period 1 January – 31 December 2020, <https://sibsab.com/wp-content/uploads/sibskommunike2020pdf.pdf>, which has not been audited.

Other material contracts

Except as outlined in this Section 8, the SIBS Group is not dependent on any particular contract that is of major importance to the group's business or profitability.

9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available, during the validity period of this Prospectus, at SIBS' office, Sibyllegatan 17, 114 42 Stockholm, during regular office hours:

- SIBS' Articles of Association;
- SIBS' Certificate of Registration;

Articles of Association and Certificate of Registration are also available at SIBS' website, www.sibsab.com.

The Terms and Conditions are also available at SIBS' website, sibsab.com/investor-relations/, and Nordic Trustee & Agency AB (publ) website, <https://nordictrustee.com/>.

10 DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus consists of, in addition to this document, the following documents, which are incorporated by reference. All of the below documents will, during the validity period of the Prospectus, be available in electronic form at SIBS' website, <https://sibsab.com/investor-relations/>. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

10.1 Extract from SIBS' annual report for the financial year 2018, including:

- the income statement report, page 2.
- the balance sheet, pages 3-4.
- the change in equity capital, page 1.
- accounting policies and notes, pages 5-8.
- the auditor's report, pages 9-10.

10.2 Extract from SIBS' and the SIBS Group's annual report for the financial year 2019, including:

- the income statement report, page 3.
- the balance sheet, pages 4-5.

- the change in equity capital, page 6.
- the cash flow analysis, page 7.
- accounting policies and notes, pages 13-34.
- the auditor's report, page 36-37.

10.3 **Extract from SIBS' and the SIBS Group's year-end report for the financial period 1 January – 31 December 2020, including:**

- the income statement report, page 13.
- the balance sheet, pages 15-16.
- the change in equity capital, page 19.
- the cash flow analysis, page 18-19.
- accounting policies and notes, page 24.

Investors should read all information which is incorporated by reference as part of this Prospectus. It should be noted that the non-incorporated parts of the annual reports for 2019 and 2018 are either not relevant for the investor or are covered elsewhere in the Prospectus.



TERMS AND CONDITIONS FOR
SIBS AB (PUBL)
UP TO SEK 600,000,000
SENIOR UNSECURED FLOATING RATE
GREEN BONDS 2020/2024

ISIN: SE0014965729

First Issue Date: 19 October 2020

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

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons, except for "Qualified Institutional Buyers" ("QIB") within the meaning of Rule 144A under the U.S. Securities Act.

PRIVACY NOTICE

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

The personal data collected will be processed by the Issuer and the Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Bonds and payments under the Bonds;
- (c) to enable the Bondholders' to exercise their rights under the Finance Documents; and
- (d) to comply with their obligations under applicable laws and regulations.

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

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

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

The Issuer's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.sibsab.com and www.nordictrustee.com.

TABLE OF CONTENTS

| | | |
|-----|--|----|
| 1. | DEFINITIONS AND CONSTRUCTION..... | 4 |
| 2. | STATUS OF THE BONDS | 12 |
| 3. | USE OF PROCEEDS..... | 13 |
| 4. | CONDITIONS PRECEDENT..... | 13 |
| 5. | CONDITION PRECEDENT FOR RELEASE OF THE RELEASE AMOUNT..... | 14 |
| 6. | BONDS IN BOOK-ENTRY FORM | 15 |
| 7. | RIGHT TO ACT ON BEHALF OF A BONDHOLDER..... | 15 |
| 8. | PAYMENTS IN RESPECT OF THE BONDS | 16 |
| 9. | INTEREST | 16 |
| 10. | REDEMPTION AND REPURCHASE OF THE BONDS | 17 |
| 11. | INFORMATION TO BONDHOLDERS | 19 |
| 12. | GENERAL UNDERTAKINGS..... | 21 |
| 13. | FINANCIAL UNDERTAKINGS | 25 |
| 14. | ACCELERATION OF THE BONDS..... | 25 |
| 15. | DISTRIBUTION OF PROCEEDS..... | 28 |
| 16. | DECISIONS BY BONDHOLDERS | 29 |
| 17. | AMENDMENTS AND WAIVERS..... | 34 |
| 18. | THE AGENT | 35 |
| 19. | APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT | 38 |
| 20. | THE CSD..... | 38 |
| 21. | NO DIRECT ACTIONS BY BONDHOLDERS..... | 39 |
| 22. | TIME-BAR | 39 |
| 23. | NOTICES AND PRESS RELEASES | 40 |
| 24. | FORCE MAJEURE AND LIMITATION OF LIABILITY..... | 41 |
| 25. | GOVERNING LAW AND JURISDICTION | 41 |

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Central Securities Depositories and Financial Instruments Accounts Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (as in force on the First Issue Date).

“**Adjusted Equity Ratio**” means Equity divided by Total Assets excluding Cash and Cash Equivalents according to the Accounting Principles.

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or its Affiliates or any Associated Entity, irrespective of whether such Person is directly registered as owner of such Bonds.

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

“**Agency Agreement**” means the agreement entered into between the Agent and the Issuer on or prior to the First Issue Date regarding, inter alia, the remuneration payable to the Agent or any other agreement replacing such agreement after the First Issue Date.

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

“**Applicable Premium**” means an amount equal to all remaining scheduled interest payments on the Bond from (but excluding) the relevant redemption date until (and including) the First Call Date (but, for the avoidance of doubt, excluding accrued but unpaid Interest up to the relevant Redemption Date), assuming that the Interest Rate for the period from the relevant Redemption Date to the First Call Date will be equal to the Interest Rate in effect on the date on which the applicable notice of redemption is given. The Applicable Premium shall be calculated and determined by the Issuing Agent.

“**Associated Entity**” means each entity in respect of which a Group Company from time to time directly or indirectly owns, or has direct or indirect control over, more than 18 per cent. but not more than 50 per cent. of the share capital or other right of ownership (Sw: *intresseföretag*).

“**Bond**” means a debt instrument (Sw: *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial

Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

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

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

“Bond Interest Expenses” means for the purpose of the Maintenance Test the Floating Rate Margin multiplied by the aggregate outstanding Nominal Amount (calculated as on the basis of the actual number of days in the relevant period divided by 360 (actual/360-days basis)).

“Bond Issue” means the issuance of the Initial Bonds or any issuance of Subsequent Bonds.

“Business Day” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw: *midsommarafton*), Christmas Eve (Sw: *julafton*) and New Year’s Eve (Sw: *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

“Business Day Convention” means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

“Cash and Cash Equivalents” means cash and cash equivalents in accordance with the Accounting Principles as set forth in the latest Financial Statement.

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

“Change of Control Event” occurs if one or more Persons acting together, acquire control over the Issuer and where **“control”** means

- (i) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting rights of the Issuer, or
- (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

A Change of Control Event will not occur if a Person who is a shareholder in the Issuer on the First Issue Date acquires control over the Issuer solely by participating in a cash settled issue of new shares in the Issuer.

“Compliance Certificate” means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, and:

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

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

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

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

“**Equity**” means the total consolidated equity of the Group in accordance with the Accounting Principles, including shareholder loans provided that they have longer maturity than the Bonds, are subordinated and only carries payment in kind interest.

“**Equity Ratio**” means Equity divided by Total Assets according to the Accounting Principles.

“**Event of Default**” means an event or circumstance specified in Clause 14.1.

“**Final Redemption Date**” means 19 April 2024.

“**Finance Charges**” means for any Reference Period, the aggregate of all financial expenses for the Group calculated in accordance with the Accounting Principles.

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

“**Financial Indebtedness**” means indebtedness for or in respect of:

- (a) monies borrowed or raised (including under any bank financing or Market Loans);
- (b) the amount of any liability in respect of any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);

- (d) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (e) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from, the fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (g) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (f) above.

“Financial Statements” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to paragraphs (a) and (b) of Clause 11.1.1 (*Information from the Issuer*).

“First Call Date” means the date falling 30 months from the First Issue Date.

“First Issue Date” means 19 October 2020.

“Floating Rate Margin” means 8.00 per cent.

“Force Majeure Event” has the meaning set forth in Clause 24.1.

“Green Bond Framework” means the Issuer’s green bond framework as it is worded on the Issue Date of the relevant Bonds.

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

“Incurrence Test” means the test of the financial incurrence covenant as set out in Clause 13.2.

“Initial Bonds” means the Bonds issued on the First Issue Date.

“Insolvent” means, in respect of a relevant Person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (Sw: *konkurslagen (1987:672)*) (or its equivalent in any other relevant jurisdiction).

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

“Interest Account” means the bank account held by the Issuer, which is affiliated to the CSD for the purpose of payment of Interest in accordance with these Terms and Conditions.

“Interest Coverage Ratio” means the Management Profit divided by Finance Charges.

“Interest Payment Date” means 19 January, 19 April, 19 July and 19 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 19 January 2021 and the last Interest Payment Date shall be the relevant Redemption Date.

“Interest Period” means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“Interest Rate” means 3 months STIBOR plus the Floating Rate Margin *per annum*.

“Issue Date” means the First Issue Date and each other date on which Bonds are to be issued pursuant to these Terms and Conditions.

“Issuer” means SIBS AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 559050-3073.

“Issuing Agent” means Pareto Securities AB, with Reg. No. 556206-8956, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“Launch Date” means 23 September 2020.

“Listing Failure Event” is deemed to occur if (i) the Initial Bonds are not admitted to trading or listed on a Regulated Market within sixty (60) days following the First Issue Date, (ii) any Subsequent Bonds are not admitted to trading or listed on a Regulated Market within sixty (60) days following their Issue Date, and (iii) in the case of a successful admission, a period of sixty (60) days has elapsed since the Bonds ceased to be admitted to trading or listed on a Regulated Market.

“Maintenance Test” means the test of the financial maintenance covenants as set out in Clause 13.1.

“Management Profit” means for any Reference Period, the consolidated net operating income (Sw: *driftnetto*) and dividends received from any Associated Entity minus costs for central administration.

“Market Loans” means bonds, notes or any other debt securities (however defined), which are or can be quoted, listed, traded or otherwise admitted to trading on a Regulated Market, an MTF or an organised trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

“Material Adverse Effect” means a material adverse effect in respect of (i) the Issuer’s business or financial position, (ii) the Issuer’s ability to meet its payment obligations under these Terms and Conditions, or (iii) the validity or enforceability of rights under the Terms and Conditions.

“Material Group Company” means

- (a) the Issuer; and
- (b) any other Group Company with assets representing 10 per cent. or more of Total Assets, calculated on a consolidated basis according to the latest annual audited consolidated Financial Statements (excluding goodwill and intra-group loans).

“**MTF**” means any multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

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

“**Net Proceeds**” means the gross proceeds from the offering of the relevant Bonds, minus the costs incurred by the Issuer in conjunction with the issuance thereof.

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

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof, or any other entity, whether or not having a separate legal personality.

“**Proceeds Account**” means the bank account held by the Issuer with a reputable bank in Sweden, into which the Release Amount (and no other amounts) will be transferred and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Proceeds Account Pledge Agreement.

“**Proceeds Account Pledge Agreement**” means the pledge agreement entered into between the Issuer and the Agent on or about the First Issue Date in respect of a first priority pledge over the Proceeds Account and all funds held on the Proceeds Account from time to time, granted in favour of the Agent and the Bondholders (represented by the Agent).

“**Properties**” means investment properties (including investment properties under construction) owned by a Group Company or an Associated Entity.

“**Quotation Day**” means, in relation to (i) an Interest Period for which an Interest rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the First Issue Date), or (ii) any other period for which an Interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 15 (*Distribution of proceeds*), (iv) the date of a Bondholders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and repurchase of the Bonds*).

“**Reference Date**” means each of 31 March, 30 June, 30 September and 31 December.

“**Reference Period**” means each period of twelve months ending on a Reference Date.

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

“**Release Amount**” means SEK 100,000,000 of the Net Proceeds from the issuance of the Initial Bonds.

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

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

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* administered and calculated by the Swedish Financial Benchmark Facility AB (or any replacement administrator or calculator) displayed on page “STIBOR=Q” of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period; or
- (b) if no rate as described in (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates administered and calculated by the Swedish Financial Benchmark Facility AB (or any replacement administrator or calculator) displayed on page “STIBOR=Q” of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for the offering of deposits in Swedish Kronor; or
- (c) if no rate as described in (b) is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

if any such rate is below zero, STIBOR will be deemed to be zero

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

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

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

“**Total Assets**” means the total assets of the Group in accordance with the latest Financial Statements and in accordance with the Accounting Principles.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 16.1 (*Request for a decision*), 16.3 (*Instigation of Written Procedure*) and 16.4 (*Majority, quorum and other provisions*).

1.2 Construction

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

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

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw: *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

1.2.6 The selling and distribution restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

2. STATUS OF THE BONDS

2.1 The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.

2.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.

2.3 The nominal amount of each Bond is SEK 1,250,000 (the “**Nominal Amount**”). The total nominal amount of the Initial Bonds is SEK 400,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100) per cent. of the Nominal Amount.

2.4 The minimum permissible investment in a Bond Issue is SEK 1,250,000.

2.5 Provided that (i) no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the relevant issue of Subsequent Bonds, and (ii) provided that the Incurrence Test is met *pro forma* including the Subsequent Bonds, the Issuer may, on one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Redemption Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at par, at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 600,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 9.1, and otherwise have the same rights as the Initial Bonds.

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

2.7 The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

2.8 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. USE OF PROCEEDS

The Issuer shall use an amount corresponding to the Net Proceeds from the issue of the Bonds for general corporate purposes of the Group in accordance with the Green Bond Framework.

4. CONDITIONS PRECEDENT

4.1 The Issuer shall provide to the Agent, no later than 2:00 p.m. three (3) Business Days prior to the First Issue Date (or such later time as agreed by the Agent) the following:

- (a) copies of the constitutional documents (i.e. the articles of association and certificate of incorporation) of the Issuer;
- (b) a copy of a resolution of the board of directors of the Issuer;
 - (i) approving the terms of, and the transactions contemplated by, the documents set out in paragraph (c) to (d) below and resolving that it execute, deliver and perform such documents;
 - (ii) authorising a specified person or persons to execute the documents set out in paragraph (c) to (d) below on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the documents set out in paragraph (c) to (d) below;
- (c) a duly executed copy of the Terms and Conditions;
- (d) a duly executed copy of the Agency Agreement;
- (e) a duly executed copy of the Proceeds Account Pledge Agreement and evidence that the Security under the Proceeds Account Pledge Agreement has been perfected; and
- (f) evidence that a final clearance (Sw: *slutbesked*) or an interim final clearance (Sw: *interimistiskt slutbesked*) in accordance with the Swedish Planning and Building Act (Sw: *Plan- och bygglagen (2010:900)*) has been obtained in respect of the property Kalmar Tranbäret 1.

4.2 The Issuer shall provide to the Agent, no later than 2:00 p.m. there (3) Business Days prior to the Issue Date of any Subsequent Bonds (or such later time as agreed by the Agent) the following:

- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith;
- (b) copies of the constitutional documents (the articles of association and certificate of incorporation) of the Issuer; and

- (c) a certificate from the Issuer confirming that no Event of Default is continuing or would result from (i) the expiry of a grace period, the giving of notice, the making of any determination (or any combination of the foregoing); or (ii) the issue of the Subsequent Bonds and the Incurrence Test is met pro forma including the Subsequent Bonds.

Any issuance of Subsequent Bonds is further subject to that the Security created under the Proceeds Account Pledge Agreement has been released in accordance with Clause 5.1 (*Conditions Precedent for Disbursement*).

- 4.3 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1 or 4.2 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation. The documentation and evidence delivered to the Agent pursuant to Clause 4.1 or 4.2 are not reviewed by the Agent from a legal or commercial perspective of the Bondholders.
- 4.4 The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions precedent in Clause 4.1 or 4.2, as the case may be, have been fulfilled (or amended or waived in accordance with Clause 17 (*Amendments and waivers*)). The relevant Issue Date shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent prior to the relevant Issue Date, or (ii) if the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.
- 4.5 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4.4 the Issuing Agent shall settle the issuance of the Initial Bonds and pay the Release Amount to the Proceeds Account and pay the remaining part of the Net Proceeds to the Issuer on the First Issue Date. Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4.4 the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds to the Issuer on the relevant Issue Date.

5. CONDITION PRECEDENT FOR RELEASE OF THE RELEASE AMOUNT

- 5.1 When the Agent is satisfied that it has received evidence that a final clearance (Sw: *slutbesked*) or an interim final clearance (Sw: *interimistiskt slutbesked*) in accordance with the Swedish Planning and Building Act (Sw: *Plan- och bygglagen (2010:900)*) has been obtained in respect of the property Örebro Glidplanet 4, the Agent shall release the pledge over the Proceeds Account in accordance with the Proceeds Account Pledge Agreement.
- 5.2 If the Agent determines that it has not received the condition precedent set out in Clause 5.1 before the relevant Redemption Date (on which all, but not some only, of the outstanding Bonds will be redeemed), and the Agent has not amended or waived such conditions in accordance with Clause 17 (*Amendments and waivers*), the Agent shall use the whole or any part of the amounts standing to the credit on the Proceeds Account to fund the redemption on such Redemption Date in accordance with Clause 10.

6. BONDS IN BOOK-ENTRY FORM

- 6.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts

Act. The Debt Register shall constitute conclusive evidence of the persons who are Bondholders and their holdings of Bonds. Registration requests relating to the Bonds shall be directed to an Account Operator.

- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw: *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.
- 6.3 The Issuer (and the Agent when permitted under the CSD Regulations) shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 6.4 The Issuer and the Agent may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.
- 6.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

7. RIGHT TO ACT ON BEHALF OF A BONDHOLDER

- 7.1 If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- 7.2 A Bondholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.
- 7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 7.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.
- 7.4 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (Sw: *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

8. PAYMENTS IN RESPECT OF THE BONDS

- 8.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other Person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 8.2 If a Bondholder has registered, through an Account Operator, that principal, Interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9.4 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- 8.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the issue of Initial Bonds and Subsequent Bonds, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under the Terms and Conditions by virtue of any withholding tax.

9. INTEREST

- 9.1 Each Initial Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 9.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 9.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 9.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is 200 basis points higher than the Interest Rate. The default interest shall not be capitalised but be payable to each Person who is a Bondholder on the Record Date for the date on which the relevant

payment will be made. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

10. REDEMPTION AND REPURCHASE OF THE BONDS

10.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Redemption Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Redemption Date is not a Business Day, then the redemption shall occur on the first following Business Day.

10.2 Purchase of Bonds by the Issuer, any Group Company and any Associated Entity

The Issuer, any Group Company and any Associated Entity may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer, a Group Company or an Associated Entity may at the Issuer's, such Group Company's or such Associated Entity's discretion be retained or sold, but may not be cancelled other than in connection with a redemption of the Bonds in full.

10.3 Voluntary total redemption (call option)

10.3.1 The Issuer may redeem all, but not some only, of the outstanding Bonds in full:

- (a) any time prior to the First Call Date, at an amount per Bond equal to the amount per Bond payable pursuant to paragraph (b) below (for the avoidance of doubt, including accrued but unpaid Interest), plus the Applicable Premium;
- (b) any time from and including the First Call Date to, but excluding, the first Business Day falling thirty-six (36) months after the First Issue Date at a price per Bond equal to 100 per cent of the Nominal Amount plus 2.40 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- (c) any time from and including the first Business Day falling thirty-six (36) months after the First Issue Date to, but excluding, the Final Redemption Date at a price per Bond equal to 100 per cent of the Nominal Amount plus 0.80 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

10.3.2 Redemption in accordance with Clause 10.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent, that shall be satisfied prior to the Record Date. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

10.4 Early redemption due to illegality (call option)

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

10.4.2 The Issuer shall give notice of redemption pursuant to Clause 10.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).

10.4.3 A notice of redemption in accordance with Clause 10.4.1 is irrevocable and shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

10.5 Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)

10.5.1 Upon the occurrence of a Change of Control Event or a Listing Failure Event, each Bondholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event or Listing Failure Event, as the case may be, pursuant to Clause 11.1.2 (after which such time shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event or the Listing Failure Event, as the case may be.

10.5.2 The notice from the Issuer pursuant to Clause 11.1.2 shall specify the period during which the right pursuant to Clause 10.5.1 may be exercised, the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased.

10.5.3 If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 11.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 10.5.1.

10.5.4 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 10.5, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 10.5 by virtue of the conflict.

10.5.5 Any Bonds repurchased by the Issuer pursuant to this Clause 10.5 may at the Issuer's discretion be retained or sold, but may not be cancelled other than in connection with a redemption of the Bonds in full.

10.5.6 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 10.5, if a third party in connection with the occurrence of a Change of Control Event or a Listing

Failure Event offers to purchase the Bonds in the manner and on the terms set out in this Clause 10.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 10.5, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.

11. INFORMATION TO BONDHOLDERS

11.1 Information from the Issuer

11.1.1 The Issuer shall make the following information available to the Bondholders and the Agent by way of press release and by publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
- (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of each financial year, the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
- (c) any other information required by the Swedish Securities Markets Act (*Sw: lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.

11.1.2 The Issuer shall prepare the Financial Statements in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm or any other Regulated Market on which the Issuer's securities from time to time are listed (as amended from time to time) and the Swedish Securities Market Act (*Sw: lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

11.1.3 The Issuer shall, upon request by the Agent, provide the Agent with any information relating to a disposal made pursuant to Clause 12.3 (*Disposals of assets*) or a merger or demerger made pursuant to Clause 12.7, which the Agent deems necessary (acting reasonably).

11.1.4 The Issuer shall promptly notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a Listing Failure Event, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Such notice may be given in advance of the occurrence of a Change of Control Event, and be conditional upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.

11.1.5 The Issuer shall issue a Compliance Certificate to the Agent (i) when the Financial Statements are made available to the Bondholders and the Agent pursuant to

Clause 11.1.1, (ii) in connection with the issuance of Subsequent Bonds or any Market Loan or making of a Restricted Payment, in each case which requires that the Incurrence Test is met, and (iii) at the Agent's reasonable request, within fifteen (15) Business Days from such request. The Compliance Certificate shall include figures in respect of the Maintenance Test or the Incurrence Test (as applicable) and the basis on which the Maintenance Test or the Incurrence Test (as applicable) has been calculated.

11.1.6 In connection with each Compliance Certificate in accordance with Clause 11.1.5, the Issuer shall deliver to the Agent a bank statement of the Interest Account.

11.1.7 The Issuer shall promptly notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

11.2 **Information from the Agent**

11.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 11.2.2, the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default that has occurred and is continuing shall be dealt with in accordance with Clause 14.3).

11.2.2 If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

11.3 **Information among the Bondholders**

Subject to applicable regulations, the Agent shall promptly upon request by a Bondholder forward by post any information from such Bondholder to the Bondholders which relates to the Bonds. The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed.

11.4 **Availability of Finance Documents**

The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

12. GENERAL UNDERTAKINGS

12.1 Compliance with laws

The Issuer shall, and shall procure that the Group Companies will, comply in all material respects with all laws and regulations including but not limited to the rules and regulations of Nasdaq Stockholm or any other Regulated Market on which the Issuer's securities from time to time are listed.

12.2 Nature of business

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

12.3 Disposal of assets

12.3.1 The Issuer shall not, and shall procure that no Group Company, sell or otherwise dispose of the shares in any Group Company or any Associated Entity (except when required by the provisions of a shareholders' agreement, in which case the Issuer shall, to its best efforts, ensure that such disposal does not take place) or substantially all the business or assets of a Group Company or, to its best effort, an Associated Entity to any Person not being the Issuer or any of the wholly-owned Subsidiaries, unless (i) the transaction is carried out at fair market value and on terms and conditions customary for such transaction, and (ii) provided that it does not have a Material Adverse Effect.

12.3.2 For the avoidance of doubt, all disposals of the shares in any Group Company or Associated Entity or the business or assets of a Group Company, which has been signed before the Launch Date, are permitted.

12.4 Distributions

The Issuer may not, and shall procure that no Group Company will:

- (i) pay any dividends on shares,
- (ii) repurchase any of its own shares,
- (iii) redeem its share capital or other restricted equity (*Sw: bundet eget kapital*) with repayment to shareholders,
- (iv) repay any subordinated shareholder loans or capitalized or accrued interest thereunder, or
- (v) make other distributions or transfers of value (*Sw: värdeöverföringar*) within the meaning of the Swedish Companies Act to its direct or indirect shareholders,

(the transactions set out in paragraphs (i) to (v) above are together and individually referred to as a "**Restricted Payment**"),

provided however that any such Restricted Payment may be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, by:

- (i) any Group Company (save for the Issuer): if such Restricted Payment is made to a Group Company's immediate shareholder(s) and, if made by a Group Company which is not directly or indirectly wholly-owned by the Issuer, is made on a pro rata basis; or
- (ii) the Issuer: provided (i) that the Incurrence Test (calculated *pro forma* including the relevant Restricted Payment) is met, (ii) that the Restricted Payment does not exceed fifty (50.00) per cent. of the Group's consolidated profit according to the annual consolidated audited Financial Statements for the previous financial year, and (iii) that the shares in the Issuer are listed on a Regulated Market or an MTF.

12.5 **Market Loans**

The Issuer shall not, and shall procure that no other Group Company will, issue any Market Loans unless:

- (i) (a) the net proceeds of such Market Loan is applied in full towards refinancing any other Market Loan of the Issuer, or (b) the Incurrence Test (calculated *pro forma* including the relevant Market Loan) is met and provided that no Event of Default is continuing or would result from the issue of such Market Loan;
- (ii) such Market Loan ranks *pari passu* with or is subordinated to the obligations of the Issuer under the Bonds; and
- (iii) such Market Loan has a final redemption date, or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date (for the avoidance of doubt, any issue of subsequent bonds (tap issues) under any of the Issuer's outstanding Market Loans shall be permitted).

12.6 **Negative Pledge**

The Issuer shall not, and shall procure that no other Group Company will, provide, prolong or renew any security over any of its assets (present or future) to secure any Market Loan.

12.7 **Mergers and demergers**

The Issuer shall not, and shall procure that no other Material Group Company will, enter into any amalgamation, demerger, merger or reconstruction, otherwise than under an intra-group re-organisation on a solvent basis where a Group Company is the surviving entity, provided however that an amalgamation, demerger, merger or reconstruction with the effect that the Issuer is not the surviving entity shall not be permitted.

12.8 **Maintenance of Properties**

The Issuer shall, and shall procure that each other Group Company and Associated Entity will, keep the Properties in a good state of repair and maintenance subject to normal wear and tear and in accordance with normal market practice.

12.9 Insurance

The Issuer shall, and shall procure that each Group Company and Associated Entity shall, keep the Properties insured to the extent customary for similar properties and businesses on the relevant geographical market with one or more reputable insurers.

12.10 Dealings with related parties

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

12.11 Authorisation

The Issuer shall, and shall procure that each Group Company, and to its best efforts, each Associated Entity will, obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company and an Associated Entity.

12.12 Green Bond Framework

The Issuer shall maintain a Green Bond Framework, which shall at all times be published on the Issuer's website, and shall ensure that an amount corresponding to the Net Proceeds from any Bond Issue is applied in accordance with the Green Bond Framework.

12.13 Valuation of Properties

12.13.1 The Issuer shall (at its own expense), during each calendar year procure that external valuation report(s) regarding the fair market value of one-hundred (100.00) per cent. of the Properties held by the Group and any Associated Entity (where applicable), is prepared by CBRE, Cushman & Wakefield, Forum Fastighetsekonomi, JLL, Newsec, Savills, Svefa, Nordier Property Advisors or another reputable independent property advisor.

12.13.2 The Issuer shall further procure that the results of such valuation report(s), or (if available) any subsequent comparable valuation report(s) replacing such valuation report(s), are reflected in good faith and in accordance with the Group's valuation policy in the following Financial Statement(s).

12.14 Admission to trading

12.14.1 The Issuer shall ensure that:

- (i) without prejudice to the rights of any Bondholder pursuant to Clause 10.5 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)*), the Initial Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market within twelve (12) months after the First Issue Date; and

- (ii) any Subsequent Bonds are admitted to trading on the relevant Regulated Market within sixty (60) calendar days after the issuance of such Subsequent Bonds (unless Subsequent Bonds are issued before the date falling twelve (12) months after the First Issue Date in which case such Subsequent Bonds shall be admitted to trading within the later of (A) twelve (12) months after the First Issue Date and (B) the date falling sixty (60) calendar days after the issuance of the relevant Subsequent Bonds.

12.14.2 It is the Issuer's intention that both the Initial Bonds and any Subsequent Bonds are admitted to trading on the Regulated Market of Nasdaq Stockholm or on any other Regulated Market within thirty (30) calendar days after the issuance of such Bonds. The absence of admission within thirty (30) calendar days shall however not constitute a Listing Failure Event nor an Event of Default under these Terms and Conditions.

12.15 **Interest account**

The Issuer shall procure that an amount corresponding to 24 months of Bond Interest Expenses in relation to the Initial Bonds will be transferred to the Interest Account on the First Issue Date. If Subsequent Bonds are issued within 24 months from the First Issue Date, the Issuer shall procure that an amount corresponding to the Bond Interest Expenses in relation to such Subsequent Bonds from the relevant Issue Date to the date falling 24 months after the First Issue Date will be transferred to the Interest Account on the relevant Issue Date. The Issuer shall not transfer any amounts from the Interest Account and shall procure that the Interest Account is not being debited with any amounts, other than to or by the CSD for payment of Interest in accordance with these Terms and Conditions.

12.16 **Undertakings relating to the Agency Agreement**

12.16.1 The Issuer shall, in accordance with the Agency Agreement:

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

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

12.17 **CSD related undertakings**

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

13. FINANCIAL UNDERTAKINGS

The Issuer undertakes for so long as any amount is outstanding under the Bonds to comply or, as relevant, procure the compliance with the financial covenants set out in this Clause 13.

13.1 Maintenance Test

13.1.1 The Issuer shall ensure that the Maintenance Test is met. The Maintenance Test is met if:

- (a) the Adjusted Equity Ratio of the Group is as least 25 per cent; and
- (b) (i) the Interest Coverage Ratio for the relevant Reference Period ending on a Reference Date exceeds 1.25:1, or (ii) minimum Cash and Cash Equivalents of the Issuer covers at least 12 months of Bond Interest Expenses.

13.1.2 The Maintenance Test shall be tested quarterly on each Reference Date on the basis of the Financial Statements and be included in the Compliance Certificate delivered in connection therewith. The first testing date will be on 31 December 2020.

13.2 Incurrence Test

13.2.1 The Incurrence Test is met if the Equity Ratio of the Group is as least thirty (30) per cent.

13.2.2 The calculation of the Equity Ratio for the purpose of the Incurrence Test shall be made as per a testing date determined by the Issuer falling no more than three (3) months prior to the Issue Date of the Subsequent Bonds or the date on which a Restricted Payment is made on the basis of the most recent Financial Statements published prior to the testing date adjusted for any events affecting such ratio after such testing date and including the Subsequent Bonds or the Restricted Payment (as applicable) *pro forma*.

14. ACCELERATION OF THE BONDS

14.1 The Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 14.4, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

(a) Non-payment

The Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

- (i) is caused by technical or administrative error; and
- (ii) is remedied within five (5) Business Days from the due date.

(b) Maintenance Test

The Issuer does not comply with the Maintenance Test.

(c) **Other obligations**

The Issuer does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) or (b) above), unless the non-compliance:

- (i) is capable of remedy; and
- (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

Notwithstanding the above, any failure to comply with the undertaking set out in Clause 12.12 (*Green Bond Framework*) or Clause 3 (*Use of Proceeds*) shall not constitute an Event of Default under any circumstances.

(d) **Invalidity**

The obligations under any Finance Document are not, or cease to be, valid, binding and enforceable (other than in accordance with the provisions of the Finance Documents), and such invalidity, non-binding and unenforceability has a detrimental effect on the interests of the Bondholders.

(e) **Insolvency**

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

(f) **Insolvency proceedings**

Any corporate action, legal proceedings or other procedures are taken in relation to:

- (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw: *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
- (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
- (iii) any procedure or step analogous to item (i)-(ii) above is taken in any jurisdiction in respect of any Material Group Company,

other than (A) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised, and (B), in relation to the members of the Group other than the Issuer, solvent liquidations or a permitted merger or demerger as stipulated in Clause 12.7 (*Mergers and demergers*).

(g) **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value equal to or exceeding SEK 15,000,000 and is not discharged within sixty (60) calendar days.

(h) **Cross-payment default /cross-acceleration**

(i) Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described),

(ii) any commitment for any Financial Indebtedness of a Group Company is cancelled or suspended by a creditor as a result of an event of default (however described), or

(iii) any security interest securing Financial Indebtedness over any asset of any Group Company is enforced,

provided however that the amount of Financial Indebtedness referred to under paragraph (i), (ii) and/or (iii) above, individually or in the aggregate exceeds an amount corresponding to SEK 15,000,000 (or its equivalent in any other currency or currencies) and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

(i) **Cessation of business**

(j) A Material Group Company ceases to carry on its business (except if due to (i) a solvent liquidation of a Group Company other than the Issuer or (ii) a permitted disposal as stipulated in Clause 12.3 (*Disposals of assets*) or a permitted merger or demerger as stipulated in Clause 12.7 (*Mergers and demergers*)) and provided, in relation to a discontinuation of a Group Company other than the Issuer, that such discontinuation is likely to have a Material Adverse Effect.

14.2 The Agent may not accelerate the Bonds in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided on a Bondholders' Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

14.3 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date

on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- 14.4 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 14.5 If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 14.6 In the event of an acceleration of the Bonds in accordance with this Clause 14, the Issuer shall redeem all Bonds at an amount per Bond together with a premium on the due and payable amount as set forth in Clause 10.3.1 for the relevant period, but shall up until the First Call Date be the price set out in paragraph (b) of Clause 10.3.1, (for the avoidance of doubt, together with accrued and unpaid Interest).

15. DISTRIBUTION OF PROCEEDS

- 15.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Finance Documents (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 18.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.4.11, together with default interest in accordance with Clause 9.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
 - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and

- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions, including default interest in accordance with Clause 9.4 on delayed payments of Interest and repayments of principal under the Bonds.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

- 15.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1(a).
- 15.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (*Sw: redovisningsmedel*) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- 15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least ten (10) Business Days before the payment is made. Such notice shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 8.1 shall apply.

16. DECISIONS BY BONDHOLDERS

16.1 Request for a decision

- 16.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 16.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 16.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.
- 16.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.

- 16.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer shall upon request provide the convening Bondholder(s) with the information available in the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 16.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 16.2 (*Convening of Bondholders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 16.3 (*Instigation of Written Procedure*). After a request from the Bondholders pursuant to Clause 18.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 16.2. The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.
- 16.1.7 Should the Issuer or any Bondholder(s) convene a Bondholders' Meeting or instigate a Written Procedure pursuant to Clause 16.1.5 or 16.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Bondholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.
- 16.2 **Convening a Bondholders' Meeting**
- 16.2.1 The Agent shall convene a Bondholders' Meeting by way of notice to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.2.2 The notice pursuant to Clause 16.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- 16.2.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 16.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the

Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

16.3 **Instigation of Written Procedure**

16.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

16.3.2 A communication pursuant to Clause 16.3.1 shall include (i) a specification of the Record Date on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (ii) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (iii) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 16.3.1). The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. If the voting is to be made electronically, instructions for such voting shall be included in the communication.

16.3.3 If so elected by the Person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 16.3.1, when consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 16.4.2 and 16.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4.2 or 16.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

16.4 **Majority, quorum and other provisions**

16.4.1 Only a Bondholder or a Person who has been provided with a power of attorney or other authorisation pursuant to Clause 7 (*Right to act on behalf of a Bondholder*) from a Bondholder:

- (a) on the Record Date specified in the notice pursuant to Clause 16.2.2 in respect of a Bondholders' Meeting, or
- (b) on the Record Date specified in the communication pursuant to Clause 16.3.2, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the Adjusted Nominal Amount. Each whole Bond entitles to one vote and any fraction of a Bond voted for by a Person shall be disregarded. Such Record Date specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

- 16.4.2 The following matters shall require the consent of Bondholders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:
- (a) waive a breach of or amend an undertaking set out in Clause 12 (*General undertakings*);
 - (b) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, SEK 600,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
 - (c) a change to the terms of Clause 2.1;
 - (d) a change of issuer of the Bonds;
 - (e) a mandatory exchange of the Bonds for other securities;
 - (f) reduce the principal amount, Interest Rate or Interest amount which shall be paid by the Issuer;
 - (g) amend any payment day for principal or Interest or waive any breach of a payment undertaking; and
 - (h) amend the provisions regarding the majority requirements under these Terms and Conditions.
- 16.4.3 Any matter not covered by Clause 16.4.2 shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 17.1(a), (b) or (c)), and acceleration of the Bonds.
- 16.4.4 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in Person or by other means prescribed by the Agent pursuant to Clause 16.2.4 (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 16.4.5 If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

- 16.4.6 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the Person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 16.4.6, the date of request of the second Bondholders' Meeting pursuant to Clause 16.2.1 or second Written Procedure pursuant to Clause 16.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.4.4 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 16.4.7 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 16.4.8 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such Person is a Bondholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.4.10 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.12 If a decision is to be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) its Affiliates or any Associated Entity as per the Record Date for voting, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company, an Affiliate or an Associated Entity.
- 16.4.13 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each Person registered as a Bondholder on the date referred to in Clause 16.4.1(a) or 16.4.1(b), as the case may be and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant

Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

17. AMENDMENTS AND WAIVERS

17.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree in writing to amend the Finance Documents or waive any provision in a Finance Document or any other document relating to the Bonds, provided that:

- (a) in the opinion of the Agent and/or as confirmed by a reputable external expert engaged by the Agent, such amendment or waiver is not detrimental to the interest of the Bondholders as a group; or
- (b) such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes; or
- (c) such amendment or waiver is required by any applicable regulation, a court ruling or a decision by a relevant authority; or
- (d) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).

17.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.

17.3 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are made available in the manner stipulated in Clause 11.4 (*Availability of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority and ensure that any amendments to the Finance Documents are made available in the manner stipulated in Clause 11.4 (*Availability of Finance Documents*).

17.4 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Bondholders' Meeting, in the Written Procedure or by the Agent, as the case may be.

18. THE AGENT

18.1 Appointment of the Agent

18.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw: *företagsrekonstruktion*) or bankruptcy (Sw: *konkurs*) of the Issuer. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 18.1.2 Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- 18.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 18.1.4 The Agent is entitled to fees for its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 18.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies or any Associated Entity notwithstanding potential conflicts of interest.
- 18.2 **Duties of the Agent**
- 18.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents. However, the Agent is not responsible for the content, due execution, legal validity or enforceability of the Finance Documents.
- 18.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 18.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 18.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 18.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents, or (iii) as otherwise agreed between the Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).

- 18.2.6 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 18.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 18.2.8 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 18.2.9 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 18.2.8.
- 18.2.10 The Agent's duties under these Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms and Conditions and upon instructions from the Bondholders, unless otherwise set out in these Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- 18.2.11 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.
- 18.2.12 Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.

18.3 **Liability for the Agent**

- 18.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 18.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.

- 18.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 18.3.4 The Agent shall have no liability to the Bondholders or to the Issuer for damage caused by the Agent acting in accordance with instructions of the Bondholders given to the Agent in accordance with the Finance Documents.
- 18.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.
- 18.3.6 The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other Person.
- 18.4 **Replacement of the Agent**
- 18.4.1 Subject to Clause 18.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 18.4.2 Subject to Clause 18.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 18.4.3 A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 18.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of Market Loans.
- 18.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 18.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

18.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

18.4.8 In the event that there is a change of the Agent in accordance with this Clause 18.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

19.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.

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

20. THE CSD

20.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.

20.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the admission to trading of the Bonds on a Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*Sw: lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.

21. NO DIRECT ACTIONS BY BONDHOLDERS

21.1 A Bondholder may not take any steps whatsoever against the Issuer in matters relating to the Bonds or the Terms and Conditions, or to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw: företagsrekonstruktion*) or

bankruptcy (Sw: *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or any of the Subsidiaries or any Associated Entity in relation to any of the obligations and liabilities of the Issuer under the Finance Documents.

- 21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 18.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 18.2.8, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.9 before a Bondholder may take any action referred to in Clause 21.1.
- 21.3 The provisions of Clause 21.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 10.5 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure Event*) or other payments which are due by the Issuer to some but not all Bondholders.

22. TIME-BAR

- 22.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been time-barred and has become void.
- 22.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw: *preskriptionslag (1981:130)*), a new time-bar period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of Interest (excluding capitalised Interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

23. NOTICES AND PRESS RELEASES

23.1 Notices

- 23.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw: *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
 - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and

- (c) if to the Bondholders, shall be given at their addresses as registered with the CSD, on a date selected by the sending Person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier or personal delivery (if practically possible) or by letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- 23.1.2 Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1, or, in case of email, when received in readable form by the email recipient, save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.
- 23.1.3 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.
- 23.2 **Press releases**
- 23.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 10.3.2 (*Voluntary total redemption*), 10.4.2 (*Early redemption due to illegality*), 11.1.2 (*Change of Control Event or a Listing Failure Event*), 14.3 (*Event of Default*), 16.2.1 (*Convening a Bondholders' Meeting*) and 16.3.1 (*Instigation of Written Procedure*) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 23.2.2 In addition to Clause 23.2.1, if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.
- 24. FORCE MAJEURE AND LIMITATION OF LIABILITY**
- 24.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 24.2 The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

24.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

25. GOVERNING LAW AND JURISDICTION

25.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

25.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 25.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.

25.3 The submission to the jurisdiction of the Swedish courts shall however not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

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