



**MAXFASTIGHETER I SVERIGE AB (PUBL)**

**PROSPECTUS FOR THE ADMISSION TO TRADING ON NASDAQ STOCKHOLM OF MAXIMUM  
SEK 500,000,000 SENIOR UNSECURED FLOATING RATE NOTES 2017/2020**

**ISIN: SE0010297283**

**30 April 2019**

**Sole Bookrunner and Issuing Agent**



## IMPORTANT NOTICE

This prospectus (the “**Prospectus**”) has been prepared by MaxFastigheter i Sverige AB (publ) (the “**Issuer**” or “**Company**” and together with its direct and indirect subsidiaries, unless the context indicates otherwise, “**we**”, “**our**”, “**us**”, “**MaxFastigheter**” or the “**Group**”) in relation to the application for the listing of the Issuer’s maximum SEK 500,000,000 senior unsecured floating rate notes 2017/2020 with ISIN SE0010297283 (the “**Notes**”) on the corporate bond list on Nasdaq Stockholm. Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy, nor is there any sale of the securities being offered.

Arctic Securities AS, filial Sverige has acted as sole bookrunner (referred to as the “**Sole Bookrunner**”) in connection with the issue of the Notes. This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*) (the “**Trading Act**”) and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council. This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**SFSA**”) pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA’s website (fi.se) and the Issuer’s website (maxfastigheter.se).

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

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Issuer’s auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, references to “SEK” refer to Swedish krona, the legal currency of Sweden.

The Notes may not be a suitable investment for all investors and each potential investor in the Notes 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 Notes, the merits and risks of investing in the Notes 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 Notes and the impact other Notes 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 Notes; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

This Prospectus is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (*Stockholms tingsrätt*) shall be the court of first instance.

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## 1 SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7) below. This summary contains all the Elements required to be included in a summary for this type of securities and the Company. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

<b>Section A – Introduction and Warnings</b>		
A.1	Warning	<p>This summary should be read as introduction to the Prospectus;</p> <p>any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;</p> <p>where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Relevant Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and</p> <p>civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Warning	Not applicable. No consent is granted by the Issuer for the use of the Prospectus for subsequent resale or final placement of the Notes.
<b>Section B – Issuer</b>		
B.1	Legal and commercial name	MaxFastigheter i Sverige AB (publ)
B.2	Domicile and legal form, legislation and country of incorporation	The Issuer is a Swedish public limited liability company, organised and existing under the laws of Sweden, pursuant to the Swedish Companies Act ( <i>aktiebolagslagen (2005:551)</i> ). The Issuer is registered with the Swedish Companies Registration Office with registration number 556972-1128. The Issuer’s registered office is Gävle, Sweden.

B.4b	Tendencies	The Issuer's business is affected by the general economic development in Sweden and in particular in the region where the Issuer has its business and assets. The general economic development in Sweden has been positive with low inflation and low interest rates and whilst the housing market, especially in the Stockholm area, has seen a slowdown due to decreased demand. The commercial market has seen high demand and low supply even if there is concern about the development in retail properties as online shopping increases its share. The Issuer has expanded its portfolio and decreased vacancies during 2018.						
B.5	Description of the Group	The Company is the holding company and the parent company of the Group and the business is mainly carried out through its subsidiaries. As of 31 December 2018, the Group owned a total of 33 properties with a total lettable area of 133,999sqm with a market value of SEK 1,552 million. The turnover for the Group was SEK 111 million for 2018.						
B.9	Profit forecast or estimate	Not applicable. No profit forecast or estimates are made.						
B.10	Audit report qualifications	Not applicable. There are no qualified opin in the audit reports.						
B.12	Financial summary	<p>The selected historical financial information presented below regarding financial years 2017 and 2018 is derived from the Group's consolidated annual reports for years 2017 and 2018. The Group's consolidated financial statements for 2018 and 2017 have been prepared in accordance with International Financial Reporting Standards and the interpretations provided by the International Financial Reporting Interpretations Committee as adopted by the EU. Furthermore, the Group also applies the Swedish Annual Account Act (<i>årsredovisningslagen (1995:1554)</i>).</p> <p>The Group's financial statements for 2018 and 2017 have been audited. Other than the auditing of the Group's financial statements for 2018 and 2017, the Group's accountants have not audited or reviewed any part of this Prospectus.</p> <p><b>Consolidated income statement for the Group</b></p> <table border="1"> <thead> <tr> <th>Amounts in KSEK</th> <th>Jan – Dec 2018</th> <th>Jan – Dec 2017</th> </tr> </thead> <tbody> <tr> <td>Operating profit</td> <td>82,782</td> <td>69,309</td> </tr> </tbody> </table>	Amounts in KSEK	Jan – Dec 2018	Jan – Dec 2017	Operating profit	82,782	69,309
Amounts in KSEK	Jan – Dec 2018	Jan – Dec 2017						
Operating profit	82,782	69,309						

Profit from property management	43,737	38,590
Profit before tax	46,735	54,428
<b>Profit for the year</b>	<b>39,662</b>	<b>45,103</b>

#### Consolidated balance sheet for the Group

Amounts in KSEK	31 Dec 2018	31 Dec 2017
<b>ASSETS</b>		
Total fixed assets	1,552,512	1,359,444
Total current assets	55,803	75,682
<b>TOTAL ASSETS</b>		<b>1,435,126</b>
<b>EQUITY AND LIABILITIES</b>		
Total equity	575,734	552,977
Total long-term liabilities	837,883	607,869
Total current liabilities	196,149	274,280
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,609,766</b>	<b>1,435,126</b>

#### Consolidated cash flow statement for the Group

Amounts in KSEK	Jan – Dec 2018	Jan – Dec 2017
Operating cash flow before changes to working capital	41,589	39,913
Operating cash flow	-57,629	-19,522
Cash flow from investment activities	-194,684	-366,872
Cash flow from financing activities	122,376	420,954

		<table border="1"> <tbody> <tr> <td>Cash flow for the year</td> <td>-14,679</td> <td>34,560</td> </tr> <tr> <td>Cash and cash equivalents at beginning of period</td> <td>40,538</td> <td>5,978</td> </tr> <tr> <td>Cash and cash equivalents at the end of period</td> <td>25,859</td> <td>40,538</td> </tr> </tbody> </table> <p><b>Material changes</b></p> <p>There has been no material adverse change in the prospects of the Issuer since the date of publication of its last audited financial report and no significant change in the financial or market position of the Group since the end of the last financial period for which audited financial information has been published.</p>	Cash flow for the year	-14,679	34,560	Cash and cash equivalents at beginning of period	40,538	5,978	Cash and cash equivalents at the end of period	25,859	40,538
Cash flow for the year	-14,679	34,560									
Cash and cash equivalents at beginning of period	40,538	5,978									
Cash and cash equivalents at the end of period	25,859	40,538									
B.13	Recent financial events	Since the Issuer issued its annual report for 2018, there has been no event particular to the Issuer that may have a material effect on the Issuer's solvency.									
B.14	Dependency on subsidiaries	A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries and consequently, the Issuer is dependent on the subsidiaries' availability of cash and their legal ability to make dividends to the Issuer to make payments under the Notes.									
B.15	Main operations	The Issuer is a real estate company and its business is to acquire, develop and manage real properties geographically concentrated to central Sweden and with strong cash flows. The business is carried out through wholly-owned subsidiaries and the Issuer is the parent company of the Group.									
B.16	Main shareholders	As far as the Issuer is aware, there is no direct or indirect ownership of or control over the Issuer.									
B.17	Credit rating	Not applicable, the Issuer or the Notes have not been assigned an official credit rating by any credit rating agency.									
<b>Section C – the Notes</b>											
C.1	Securities being admitted to trading	Senior unsecured floating rate notes (debt instruments ( <i>skuldförbindelser</i> ) of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act ( <i>lagen (1998:1479) om kontoföring av finansiella instrument</i> )) issued by MaxFastigheter i Sverige AB (publ) with ISIN SE0010297283.									

C.2	Denomination	The Notes are denominated in SEK.
C.5	Transfer restrictions	Not applicable. The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable from time to time under local laws to which a Noteholder may be subject
C.8	Rights pertaining to the Notes	<p>Rights pertaining to Interest and repayment: Noteholders are entitled to receive Interest on the Notes on each Interest Payment Date, and repayment of the Nominal Amount together with accrued but unpaid Interest on the Final Maturity Date.</p> <p>Status: The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.</p> <p>No action: No Noteholder may take any individual action against the Issuer in matters relating to the Notes or the Terms and Conditions.</p> <p>Prescription: The right to receive repayment of the Nominal Amount shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest shall be time-barred and become void three (3) years from the relevant due date for payment.</p>
C.9	Summary of the Notes relating to interest and agent for the Noteholders	<p>Interest payments: The Notes issued on the First Issue Date carry Interest from, but excluding, the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Notes carry Interest from, but excluding, the Interest Payment Date falling immediately prior to their issuance up to and including the relevant Redemption Date.</p> <p>Interest is based on STIBOR 3 months plus a margin of 6.50 per cent <i>per annum</i>. If STIBOR is below zero, STIBOR will be deemed to be zero.</p> <p>Interest is payable on each Interest Payment Date, i.e. 15 March, 15 June, 15 September and 15 December in each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 15 December 2017 and the last Interest Payment Date being the Final Maturity Date (or any Redemption Date prior thereto)).</p> <p>The Issuer may not amortise on the Notes.</p>



		<p>The Final Maturity Date is 15 September 2020.</p> <p>Intertrust (Sweden) AB is acting as agent for the Noteholders in relation to the Notes, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions.</p> <p>Nordic Trustee &amp; Agency AB (publ) AB is acting as Agent for the Noteholders.</p>
C.10	Information on the use of derivatives as determination of interest	Not applicable. The calculation of the interest payable under the Notes does not depend on derivative instruments.
C.11	Regulated market	The Issuer intends to list the Subsequent Notes issued on the Second Issue Date on the corporate bond list on Nasdaq Stockholm.
<b>Section D – Risk factors</b>		
D.2	Risks relating to the Issuer	<p><i>Macroeconomic risk.</i> The Group’s business is affected by macroeconomic factors which are outside the Group’s control. These factors include, but are not limited to, the growth of the gross domestic product (GDP), unemployment and population structure, inflation and deflation (if any), level of production of new premises and residential real properties, as well as possibility of raising financing for the Group.</p> <p><i>Competition.</i> The Group operates in a competitive industry.</p> <p><i>Geographical risks.</i> The composition of the Group’s real property holdings may be affected by an incorrect geographical allocation, meaning that the Group owns real property in the wrong sectional market, city or location.</p> <p><i>Changes in real property value.</i> Changes in value of the Group’s real property holdings may arise as a result of macroeconomic- or microeconomic reasons or property-specific reasons. Changes in property value affect the income statement as well as the Group’s financial position.</p> <p><i>Property development risks.</i> Decisions to develop properties based on incorrect assumptions or changed preconditions during the investment period may result in low or negative returns as well as a negative impact on future growth. New construction and rebuilding are exposed to production risks.</p>

		<p><i>Risks related to acquisitions.</i> Part of the Group’s business is to acquire real properties and real property holding companies. The Group may not be able to comply with its acquisition strategy or transactions may affect the Group negatively. Completed acquisitions may have an adverse effect on the Group’s financial position if, e.g. unexpected vacancies occur, accounting and/or economic assumptions do not match and/or unforeseen environmental requirements or tax claims arise.</p> <p><i>Rental income risk.</i> Rental income from the Group’s tenants may be negatively impacted by a number of different factors, such as decreasing market rents, non-indexation, laws, rules or regulations limiting the right to indexation of rent, reduced surface area demands, increased vacancies, decreased demand or increased customer losses.</p> <p><i>Reputational risks.</i> The Group’s ability to attract and keep tenants is, to some extent, dependent on its reputation and consequently the Group’s business is sensitive to risks related to reputational damages.</p> <p><i>Risks related to key employees.</i> The Group has a relatively small organisation, which means it is dependent on individual key employees. The future development of the Group is highly dependent on the management’s as well as other key employees’ skills, knowledge, experience and commitment. If the Group is unable to keep and recruit high-level management personnel and other competent personnel on reasonable terms it could have an adverse effect on the Group’s financial position.</p> <p><i>Liquidity and refinancing risk.</i> Real properties are long-term assets that require long-term financing distributed between equity capital and interest-bearing debt. The Group therefore needs long-term financing and liquidity and if such financing or liquidity is not available to the Group, it may adversely affect its business and strategy and have an adverse effect on Group’s financial position.</p> <p><i>Interest rate risk.</i> The Group’s business is exposed to interest rate risk as costs and results may change as the market rates change.</p> <p><i>Dependency on other companies within the Group.</i> A significant part of the Group’s assets and revenues relate to the Issuer’s subsidiaries. The Issuer is thus dependent upon receipt of sufficient income and cash flow related to the operations of the subsidiaries.</p>
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D.3	Risks relating to the Notes	<p><i>Credit risk.</i> Investors in the Notes carry a credit risk relating to the Issuer and the Group. If the Group’s financial position deteriorates it is likely that the credit risk associated with the Notes will increase since the risk that the Issuer cannot fulfil its payment obligations under the Notes increases which could result in the market pricing the Notes with a higher risk premium, which would adversely affect the market value of the Notes.</p> <p><i>Refinancing risk.</i> The Issuer’s inability to refinance its debt obligations on favourable terms, or at all, could have an adverse effect on the Issuer’s ability to fulfil its payment obligations under the Notes.</p> <p><i>Interest rate risk.</i> The market value of the Notes is dependent on several factors, one of the most significant over time being the level of the general market interest rates. An increase of the general market interest rate level could adversely affect the market value of the Notes.</p> <p><i>Liquidity risk.</i> Even if the Notes are admitted to trading on Nasdaq Stockholm or any other Regulated Market, a liquid market for trading in the Notes might not occur. Lack of liquidity in the market may adversely affect the market value of the Notes.</p> <p><i>Currency risk.</i> The Notes are denominated and payable in SEK. If Noteholders measure their investment return by reference to a currency other than SEK, an investment in the Notes will entail foreign exchange-related risks.</p> <p><i>Volatility.</i> The market value of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Group’s financial position and those of its competitors as well as other factors.</p> <p><i>Security over assets granted to third parties.</i> The Group may, subject to limitations, incur additional financial indebtedness and provide additional security for such indebtedness. In the event of bankruptcy, reorganisation or winding-up of the Issuer, the Noteholders will be subordinated in right of payment out of the assets being subject to security.</p>
<b>Section E – The Offering</b>		
E.2b	Reasons for the offering and use of proceeds	<p>The Notes form part of the Issuer’s debt financing on the capital market and the Prospectus is issued for the purposes of admitting Notes on corporate bond list on Nasdaq Stockholm. The Issuer shall use the net proceeds from each Note Issue, towards acquisitions,</p>

		investments and for general corporate purposes of the Group (including refinancing of financial indebtedness and acquisitions).
E.3	Terms and conditions of the offering	Not applicable. This Prospectus is issued in connection with an admission to trading of Notes on Nasdaq Stockholm and there is no offer to acquire any Notes.
E.4	Material and conflicting interests	The Sole Bookrunner may in the future engage in investment banking or other services for the Group in its ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.
E.7	Estimated expenses charged to investor	Not applicable. This Prospectus is issued in connection with an admission to trading of Notes on Nasdaq Stockholm and there is no offer to acquire Notes. The expenses related to such admission to trading will be paid by the Issuer.

## 2 RISK FACTORS

*An investment in corporate notes always involves a certain degree of risk. A number of factors affect and may come to affect MaxFastigheter i Sverige AB (publ) (the “**Issuer**”) and its direct and indirect subsidiaries’ (the “**Group**”) operations, earnings, financial position, future prospects and result (the “**Group’s Financial Position**”) and thereby the Issuer’s ability to fulfil its payment obligations under the maximum SEK 500,000,000 senior unsecured floating rate notes 2017/2020 (the “**Notes**”) and the market value of the Notes. Below is a description of risk factors which the Issuer considers to be the most relevant to an assessment by a potential investor of whether to invest in the Notes. However, potential investors should note that the below risk factors are neither exhaustive nor ranked in order of importance. The intention is to describe risks that are linked to the Group’s operations and the Issuer’s ability to fulfil its obligations in accordance with the terms and conditions of the Notes (the “**Terms and Conditions**”) and to describe the risks related to an investment in the Notes.*

*Unless otherwise defined, capitalised words and expressions used herein shall have the same meaning given thereto in the term sheet (the “**Term Sheet**”) in which an overview of the terms and conditions of the Notes is outlined (which does not purport to be complete, and is qualified in its entirety by the final Terms and Conditions).*

*Before making a decision to invest in the Notes, any potential investor should carefully consider the risk factors outlined below, as well as any other information provided (such as the final Terms and Conditions and any publicly available financial and other information regarding the Issuer and the Group). In addition, an investor must, alone or together with its financial and any other adviser it deems appropriate, engage in an analysis of the global market conditions and general information about the markets in which the Group operates from its own perspective. An investor should have adequate knowledge to evaluate the risk factors as well as sufficient financial strength to assume these risks.*

### 2.1 Risks relating to the Issuer and the Group

#### 2.1.1 Macroeconomic factors

The Group’s business is affected by macroeconomic factors which are outside the Group’s control. These factors include, but are not limited to, the growth of the gross domestic product (GDP), unemployment and population structure, inflation and deflation (if any), level of production of new premises and residential real properties, as well as possibility of raising financing for the Group. A weak economic trend has a negative impact on, for example, the demand for premises, which in turn may lead to increased vacancies, declining market rents as well as non-indexation to the Group’s current leases. Furthermore, there would be an increased risk of tenants in financial difficulties, or even tenants going bankrupt, which would have an immediate and negative effect on the Group’s cash flow. A limited capital supply, due to, for example, general difficulties in raising financing (or financing on for the Group acceptable terms) impedes the Group’s ability to conduct business. General economic recessions may also affect the market value of the Group’s real properties. Should any of these risks be realised, it could have an adverse effect on the Group’s Financial Position.

#### 2.1.2 Competition

The Group owns and manages commercial real properties, mainly within the retail, recreation and community segments, in an industry involving both private and public operators. The competitiveness of the Group depends, *inter alia*, on the Group’s ability to attract and keep tenants, to anticipate future changes and trends in the real estate industry and to swiftly adapt to current and future market demands. The Group may therefore need to make costly investments, restructurings or price reductions. In addition, the Group’s competitors may have

better capacity and resources to handle economic downturns, compete in a more successful way, be better on maintaining competent employees, and respond more swiftly to changes in tenant's needs. If the Group cannot compete in a successful way, it may significantly affect rental rates and vacancy rates, and the Group's revenues could decrease, which in turn could have an adverse effect on the Group's Financial Position.

#### 2.1.3 Geographical and future development risks

The composition of the Group's real property holdings may be affected by an incorrect geographical allocation, meaning that the Group owns real property in the wrong sectional market, city or location, with respect to, among other things, future growth and urbanisation trends, or that the Group owns real property which are not future-proof based on customer preferences, technical requirements, "micro allocation" or flexibility in use and contractual terms. Real properties which in turn are not future-proof involve a greater risk of increased vacancies, which may lead to reduced property value or that the Group must make costly investments. Real property requires regular renovations to maintain, improve or adapt its technical status. If the Group fails to identify and fund the necessary technical improvements to future-proof its real property holdings, it could have an adverse effect on the Group's Financial Position.

#### 2.1.4 Changes in real property value

Changes in value of the Group's real property holdings may arise as a result of macroeconomic- or microeconomic reasons or property-specific reasons (usually cash flow related). In addition, there is a risk that the real property holdings are incorrectly valued. Changes in property value affect the income statement as well as the Group's Financial Position. Major negative changes in property value may ultimately lead to the Group defaulting on its obligations under credit agreements, which in turn may lead to increased financing costs, or, in worst case, acceleration or early termination by creditors. The Group applies IFRS (International Financial Reporting Standards, as adopted by the EU) and consequently reports all real property at fair value in the balance sheet and changes to the value of real property are continuously reported in the income statement. Should any of the risks mentioned above be realised, it could have an adverse effect on the Group's Financial Position.

#### 2.1.5 Property management risks

Agreements are often negotiated with professionals expecting the Group to act professionally. If the Group does not act professionally, it may affect the Group's chances of conducting a profitable real property management division in the long run, consequently affecting the Group's profits and good standing. Part of real property management is being keenly aware to tenant's needs and trying to improve such relationship and comply with tenants' requests. There is a risk that the Group cannot meet its tenants' requests and, due to competition, does not have sufficient resources to keep or attract tenants, which could have an adverse effect on the Group's Financial Position.

#### 2.1.6 Property development risks

Each decision regarding the development of the Group's real properties involve future assumptions of the return on the investments, including rent levels, vacancies, interest rates and financing possibilities. This also includes assessments and assumptions of tenants' requests.

Decisions based on incorrect assumptions or changed preconditions during the investment period may result in low or negative returns as well as a negative impact on future growth. New construction and rebuilding are exposed to production risks. Contractors, suppliers, materials and technical solutions that do not live up to expectations, contract or standards may adversely affect the Group's property development. New construction and rebuilding include hazards related to the working environment, where accidents and negative environmental influences may have an

adverse effect on the Group. If the Group makes inapt decisions on the development and new construction of its real properties, it could have an adverse effect on the Group's Financial Position.

#### 2.1.7 Real property costs

Real property costs include operating costs, tariff-based costs, costs in relation to real property management, administrative costs, insurance costs, real property taxes and other costs. Electricity prices are driven by supply and demand in an open, deregulated and partly international market. Other operating costs are partly governed by local monopolies, leading to uncertainty of future costs. Operating costs are, for instance, costs for maintenance and repairs as a result of terms and conditions in leases and regulatory requirements. If the Group does not perform maintenance and repairs in accordance with such provisions, the Group may incur liability or fines. For example, the National Board of Housing, Building and Planning (*Boverket*) continuously promulgates new regulations on the design, safety and surveillance of elevators, as well as regulations and recommendations on accessibility. Adapting real properties to new regulations is generally associated with costs. Operating real properties may also be affected by design errors, other hidden faults or deficiencies (such as power failures, asbestos or mould), damages (for example due to fire or other natural causes) and pollutions, and the Group may need to repair or remedy such defects due to contractual or regulatory requirements. Should any of the risks mentioned above be realised, it may result in significant unforeseen costs for the Group, and have an adverse effect on the attractiveness of the Group's real properties, require significant costs to remedy or repair and result in declining rental rates and rental income, which in turn could have an adverse effect on the Group's Financial Position.

#### 2.1.8 Risks related to acquisitions

Part of the Group's business is to acquire real properties and real property holding companies. The ability to execute general acquisition strategies may be limited by external factors such as competition, demand for attractive objects, financing possibilities, economic market situation and price levels of investment objects. Consequently, the Group's acquisition strategy may not be complied with or transactions may affect the Group negatively. Completed acquisitions may have an adverse effect on the Group's Financial Position if, e.g. unexpected vacancies occur, accounting and/or economic assumptions do not match and/or unforeseen environmental requirements or tax claims arise.

Should the Group miscalculate any of these effects, it may adversely affect the Group's Financial Position. When integrating operations and staff in connection with acquisitions, projected positive effects may be lost and processes may be delayed and require more resources than the Group has assumed. If the Group makes incorrect assumptions in relation to the above transactional risks, it could have an adverse effect on the Group's Financial Position.

#### 2.1.9 Risks related to disposals

The Group may, from time to time, dispose real properties in order to adapt and optimise its property holding to market needs. The Group may also dispose real properties in order to finance investments, such as the acquisition of real properties or new construction and property development. Consequently, the Group is dependent on a liquid real property market, which in turn is dependent on several factors, such as macroeconomic conditions, changes in the financial position of potential buyers and their respective financing conditions, changes in national or international economic conditions and changes in laws, regulations or tax policies. In addition to the adverse effect on the Group's potential to pursue attractive investment opportunities, an illiquid real property market could have an adverse effect on the Group's Financial Position.

#### 2.1.10 Rental income

Rental income from the Group's tenants may be negatively impacted by a number of different factors, such as decreasing market rents, non-indexation, laws, rules or regulations limiting the right to indexation of rent, reduced surface area demands, increased vacancies, decreased demand or increased customer losses. When developing real properties, the increased quality is often compensated by an increased rent. If investments are delayed or become more expensive than estimated, it may involve a risk of falling profitability due to rental income not covering the costs incurred which could have an adverse effect on the Group's Financial Position.

#### 2.1.11 Legal risks

The Group's business is largely dependent on laws and enactments, regulations and governmental decisions regarding planning and construction measures, environmental considerations, safety and leasing. In order for the Group's real properties to be used and developed as intended, relevant permits and governmental decisions, for example surrounding the local plans and various forms of property registrations, are required. There is a risk that the Group will not be granted or receive the necessary permits to conduct and develop the business in a desirable manner, which may adversely affect the Group's Financial Position. There is also a risk of changes to applicable legislation, which the Group or its customers must comply with. This could have an adverse effect on the Group's Financial Position.

#### 2.1.12 Disputes

The Group is not involved in any legal dispute or arbitration proceeding which has, or has had, any significant effect on the Group's Financial Position. Neither does the Group know of any relevant facts which would bring about any such legal or arbitration proceedings. There is, however, a risk that the Group may be involved in such disputes in the future. Disputes, claims, investigations and legal proceedings may result in the Group being liable to pay damages or to terminate certain operations. In addition, the Group, or its board members, managers, employees or affiliated companies, may be subject to investigations or criminal proceedings. Such disputes, claims, investigations, and legal proceedings may be time consuming, disturb the day-to-day business, including claims for substantial amounts, and incur significant litigation expenses. In addition, it may be difficult to predict the outcome of complex disputes, claims, investigations and legal proceedings. Consequently, disputes, claims, investigations and legal proceedings could have an adverse effect on the Group's Financial Position.

#### 2.1.13 Environmental risks

The responsibility to remedial contaminations and other environmental damages on a property is, pursuant to the current environmental laws, vested in the business operator who caused the environmental damage (polluter pays principle). If no such operator can be held responsible for such damages, or lacks the ability to pay for the remedial measures necessary, the Swedish Environmental Code (*miljöbalken (1998:808)*) stipulates a secondary responsibility for a party that acquires a contaminated property. However, such responsibility requires that the purchaser of the property either was aware or should have discovered the environmental damages. Furthermore, in a situation that the Group acquires a property previously used for industrial or similar purposes, the business operator is in general only required to finance remedial measures so that the property is deemed usable for industrial use.

If one or several of the above factors would develop negatively or if any of the described risks would materialise, it could have an adverse effect on the Group's Financial Position.



#### 2.1.14 Reputational risks

The Group's ability to attract and keep tenants is, to some extent, dependent on its reputation and consequently the Group's business is sensitive to risks related to reputational damages. The Group's reputation may, for example, be adversely affected by rumours, negative publicity or other factors which could lead to the Group no longer being considered a competent and serious operator on the real property market. Should the Group's reputation deteriorate, or if the Group is subject to negative publicity, it may lead to reduced competitiveness, consume management's time and resources and also cause additional costs for the Group, which could have an adverse effect on the Group's Financial Position.

#### 2.1.15 Insurance risks

The Group's insurance cover may be inadequate to compensate for damages related to, for example, the Group's real properties. In particular, certain types of risks (such as war, acts of terrorism, inadequate preparation in events of natural disasters or extreme weather conditions, such as flooding) may be, or may become, impossible or too costly for the Group to insure. Should damages to a real property occur, and subsequently lead to tenants terminating or not renewing their leases, there is a risk that the Group's insurance does not cover such loss of rental income. If an uninsured damage would occur, or if the damage exceeds the insurance cover, the Group may lose the capital invested in the property as well as future income from the property. The Group may also be held responsible for repairing damages caused by uninsured risks. In addition, the Group may be held responsible for liabilities and other financial obligations in relation to damaged real properties. As a result, uninsured losses, or losses exceeding the insurance cover, could have an adverse effect on the Group's Financial Position.

#### 2.1.16 Risks related to key employees

The Group has a relatively small organisation, which means it is dependent on individual key employees. The future development of the Group is highly dependent on the management's as well as other key employees' skills, knowledge, experience and commitment. If the Group is unable to keep and recruit high-level management personnel and other competent personnel on reasonable terms it could have an adverse effect on the Group's Financial Position.

#### 2.1.17 Risks related to tax classification of management and trading of real property

The Group's business is conducted through several subsidiaries with tax residence in Sweden. The business includes management, development, acquisition and disposals of real properties. As transactions of real properties are part of the business there is a risk that special tax rules apply in case real properties are deemed inventories and not capital assets. The classification of the Group's properties as inventory or capital assets affects taxation, if any, of received dividends and profit from the disposal of properties. It also affects the conditions for the use of group contributions (*koncernbidrag*). The distinction between property management and property trading is not clearly expressed in laws and regulations, but has evolved by case law. The most important criteria when deciding if the regulations for real property trade apply seem to be the quantity of real property transactions made, as well as the amount of time the trade objects have been in the company's possession and the purpose of the transactions. The preparatory work to the law states that the quantity of property transactions must be seen in relation to the size of the company, meaning that the scope of acquiring and disposing real properties, without it being seen as property trade, is wider for listed real property management companies.

If the Group's interpretation of tax legislation, tax treaties and other tax regulations or its application is incorrect, if one or more of the authorities successfully make negative tax adjustments in respect of a division within the Group, or if the existing laws, treaties, regulations or official interpretations of these, or if the administrative legal practise in relation to these are

amended, including changes with retroactive force, the Group's previous and current dealings with tax issues may be questioned. If any authority successfully makes such claim, it may lead to increased tax costs, including tax surcharge and interest. As a consequence, the Group's tax deficit may be reduced.

Should the Group fail to adequately interpret and comply with the tax regulations that are applicable for the Group and its business, it could have an adverse effect on the Group's Financial Position.

#### 2.1.18 Tax legislation

A number of legislations and regulations, competition regulations, construction and environmental regulations, taxes and rules affect the business conducted by the Group. New or amended legislations and regulations could call for unexpected costs or impose restrictions on the development of the business operations or otherwise affect net sales. The Group runs a capital intensive business and have significant interest expenses. If the Group is subject to limitations of the deductions related to interest and capital expenses it could have an adverse effect on the Group's Financial Position.

On 30 March 2017 a government committee proposed new tax legislation affecting the property transaction market, mainly with the purpose of creating neutral taxation between a direct transfer of a property and a sale through transfer of shares in a property owning company. The proposal entails that the property, if sold through a share transfer, shall be deemed as sold and purchased for market value by the property holding company, thus realising capital gains tax. Furthermore, the committee proposed a tax corresponding to stamp duty to be issued on a share purchase of a property holding company.

On 1 January 2019, new tax legislation was implemented in Sweden meaning, *inter alia*, that the right to interest deductions has been limited to a certain per cent. of EBITDA for every company subject to tax within the European Union. New case law on the tax area may be applied retroactively, and there is a risk that it affects the Group's business. If the Group is subject to such retroactive application it could have an adverse effect on the Group's Financial Position.

#### 2.1.19 Tax deductibility

Amendments to the tax legislation leading to altered possibilities of tax depreciation or possibilities of deductible deficiency may cause a change in the future tax situation. The possibilities of using deductible deficiency may also be limited by changes to the Group's ownership structure, for example if a group of natural persons together acquire more than 50 per cent. of the shares in the Issuer during a five-year period and each person owns or acquires at least five per cent. of the shares in the Issuer. Such persons do not need to co-operate jointly or even have awareness of each other for the limitation to apply. Depending on how the rule is interpreted, even minor changes to the ownership structure may limit the deficiencies.

The possibility of deduction may be changed or lost if amendments to the tax legislation occur or if the ownership structure of the Group is changed.

If the Group's deductibility of tax deficiencies is changed it may affect the Group's amounts the Group should pay in taxes that could lead to a tax surcharge which could have an adverse effect on the Group's Financial Position.

#### 2.1.20 Classification of properties

The Group conducts ongoing investments in its real properties by new construction and property development. Such property investments are classified, on a tax basis, on a perspective on direct deduction and depreciation. Since such classifications are based on the interpretation of existing tax legislation and case law they may become challenged. The tax legislation may also be

amended. Should the Swedish Tax Agency (*Skatteverket*) successfully claim that the Group has erred in its classification, or if tax legislation is amended, it may lead to an increased tax being charged, including tax surcharge and interest, and increased costs for the Group. Additionally, the tax deficits could decrease. If such risks are realised it could have an adverse effect on the Group's Financial Position.

#### 2.1.21 Liquidity and refinancing

Real properties are long-term assets that require long-term financing distributed between equity capital and interest-bearing debt. The Group therefore needs long-term financing and liquidity. Hence, the Group continuously renegotiates existing credit agreements and raises new financing. The Group is exposed to requirements in its credit agreements regarding the general economic climate or disturbances in the capital and credit markets. If such requirements are not met, the Group's ability to utilise existing credit may be significantly limited. The Group's credit agreements also expose the Group for counterparty risks. Furthermore, a downturn in the general economic climate, or disturbances on the capital or credit markets, may lead to limitations of the Group's access to financing. If the Group cannot raise necessary financing, or if the Group does not have sufficient liquidity to meet its obligations to refinance its existing financing agreements or to fulfil its acquisition strategy or is not able to refinance its financing arrangements on favourable terms, it could have an adverse effect on the Group's Financial Position.

#### 2.1.22 Interest rate risk

The Group's business is exposed to interest rate risk as costs and results may change as the market rates change. Floating rate financing agreements are directly exposed to the interest rate risk. Income and costs may be affected by interest rate changes, which may adversely affect the Group's cash flow. Interest rate changes could adversely affect the Group's cash flow and have an adverse effect on the Group's Financial Position.

#### 2.1.23 Dependency on other companies within the Group

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The Issuer is thus dependent upon receipt of sufficient income and cash flow related to the operations of the subsidiaries. Consequently, the Issuer is dependent on the subsidiaries' availability of cash and their legal ability to make dividends which may from time to time be restricted by corporate restrictions and law. Should the Issuer not receive sufficient income from its subsidiaries, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.

## **2.2 Risks relating to the Notes**

### 2.2.1 Credit risk

Investors in the Notes carry a credit risk relating to the Issuer and the Group. Investors' ability to receive payment under the Terms and Conditions is therefore dependent on the Group's Financial Position. If the Group's Financial Position deteriorates it is likely that the credit risk associated with the Notes will increase since the risk that the Issuer cannot fulfil its payment obligations under the Notes increases. The Group's Financial Position is affected by numerous risk factors, some of which have been outlined above. An increased credit risk could result in the market pricing the Notes with a higher risk premium, which would adversely affect the market value of the Notes.

### 2.2.2 Refinancing risk

The Issuer may be required to refinance certain or all of its outstanding debt, including the Notes. The Issuer's ability to successfully refinance its debt is dependent on the conditions of the capital markets and the Group's Financial Position at such time. The Issuer's access to financing sources may not be available on favourable terms, or at all. The Issuer's inability to refinance its debt

obligations on favourable terms, or at all, could have an adverse effect on the Issuer's ability to fulfil its payment obligations under the Notes and the Group's Financial Position.

### 2.2.3 Interest rate risk

The market value of the Notes is dependent on several factors, one of the most significant over time being the level of the general market interest rates. The Notes have a floating rate structure based on 3 months STIBOR plus the margin, and the interest rate of the Notes will be determined two business days prior to the first day of each interest period. Therefore, the interest rate is to a certain extent adjusted for changes in the level of the general market interest rate. An increase of the general market interest rate level could adversely affect the market value of the Notes. The general market interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Issuer's control.

### 2.2.4 Liquidity risks and secondary market

The Issuer has an obligation to ensure that the Notes are listed on Nasdaq Stockholm or any other Regulated Market within two months from the First Issue Date or the Second Issue Date (as applicable) of the Notes. Even if the Notes are admitted to trading on Nasdaq Stockholm or any other Regulated Market, active trading in the Notes does not always occur and a liquid market for trading in the Notes might not occur even if the Notes are listed. This may result in that the Noteholders cannot sell their Notes when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may adversely affect the market value of the Notes. Furthermore, the nominal value of the Notes may not be indicative compared to the market price of the Notes if the Notes are admitted for trading on Nasdaq Stockholm or any other Regulated Market.

### 2.2.5 Risks related to the tenor of the Notes

The Notes and the other credit facilities available and utilised by the Issuer do not have the same tenor and the Issuer may amortise and make prepayments under such credit facilities without making corresponding amortisations or prepayments under the Notes. Shorter tenor of such credit facilities could have a negative impact on the interests of the Noteholders.

### 2.2.6 The market value of the Notes may be volatile

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

### 2.2.7 Subsidiaries, structural subordination and insolvency of subsidiaries

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The subsidiaries are legally separated from the Issuer and the subsidiaries' ability to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and law restriction. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Notes are structurally subordinated to the liabilities of the subsidiaries. The Group and its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation

of the Group to make payments under parent-, company-, financial-, or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

#### 2.2.8 The Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Note, each Noteholder will accept the appointment of the Agent (being on the issue date Nordic Trustee & Agency AB (publ)) to act on its behalf and to perform administrative functions relating to the Notes. The Agent shall have, among other things, the right to represent the Noteholders in all court and administrative proceedings in respect of the Notes. However, the rights, duties and obligations of the Agent as the representative of the Noteholders will be subject to the provisions of the Terms and Conditions and the agency agreement, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions are governed) which would govern the Agent's performance of its duties and obligations relating to the Notes. A failure by the Agent to perform its duties and obligations properly, or at all, may adversely affect the enforcement of the rights of the Noteholders. Under the Terms and Conditions, the funds collected by the Agent as the representative of the Noteholders must be held separately from the funds of the Agent and be treated as escrow funds (*redovisningsmedel*) to ensure that in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the Noteholders. In the event the Agent would fail to separate the funds in an appropriate manner, the funds could be included in the Agent's bankruptcy estate.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent on commercially acceptable terms or at all. Further, the risk exists that the successor Agent would breach its obligations under the above mentioned documents or that insolvency proceedings would be initiated against it.

Materialisation of any of the above risks may have an adverse effect on the enforcement of the rights of the Noteholders and the possibility of the Noteholders to receive payments under the Notes.

#### 2.2.9 Majority owner

Following any potential change of control in the Issuer, the Issuer may be controlled by majority shareholders whose interest may conflict with those of the Noteholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has the legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the Noteholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have adversely affect the Group's Financial Position. According to the Terms and Conditions, if a change of control event occurs, the Noteholders would however have a right of prepayment of the Notes (put option). There is thus a risk that the Issuer does not have enough liquidity to repurchase the Notes if the Noteholders use its right of prepayment, see further under Section Put options.

#### 2.2.10 Security over assets granted to third parties

The Group may, subject to limitations, incur additional financial indebtedness and provide additional security for such indebtedness. In the event of bankruptcy, reorganisation or winding-up of the Issuer, the Noteholders will be subordinated in right of payment out of the assets being

subject to security. In addition, if any such third party financier holding security provided by the Group would enforce such security due to a default by any Group Company under the relevant finance documents, such enforcement could have an adverse effect on the Group's Financial Position, and ultimately the position of the Noteholders.

#### 2.2.11 Currency risks

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

#### 2.2.12 Early redemption (call options)

The Issuer has, subject to certain conditions, a right under the Terms and Conditions to redeem all outstanding Notes in advance. If so, a certain additional sum shall be paid. There is a risk that the market value of the Note at the time of redemption is higher than the price that the Issuer may be entitled to redeem the Notes for. However, an early redemption can never be made at an amount lower than 100 per cent. of the nominal amount.

#### 2.2.13 Put options

According to the Terms and Conditions, the Notes are subject to prepayment at the option of each Noteholder (put options) upon the occurrence of a Change of Control Event, Listing Failure or Delisting. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Notes which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all Noteholders and not only those that choose to exercise the option.

#### 2.2.14 Dividends

In accordance with the Terms and Conditions, the Issuer is allowed to make dividends if not exceeding 50 per cent. of the Group's profit from property management after tax for the previous fiscal year, subject to the Incurrence Test being fulfilled. If any of these distributions are made, it could have an adverse effect on the Group's assets and on the position of the Noteholders.

#### 2.2.15 Noteholders' representation

In accordance with the Terms and Conditions, the Agent represents all Noteholders in all matters relating to the Notes. However, this does not rule out the possibility that the Noteholders, in certain situations, could bring their own action against the Issuer, which could adversely impact an acceleration of the Notes or other action against the Issuer. To enable the Agent to represent the Noteholders in court, the Noteholders may have to submit a written power of attorney for legal proceedings. The failure of all Noteholders to submit such a power of attorney could adversely impact the enforcement of the Notes and the possibility for the Noteholders to exercise their rights under the Notes. Under the Terms and Conditions the Agent has the right in some cases to make decisions and take measures that bind all Noteholders. Consequently, the actions of the Agent in such matters could impact a Noteholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the Noteholders.

#### 2.2.16 Noteholders' meetings

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

#### 2.2.17 Restrictions on the transferability of the Notes

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Notes may not offer or sell the Notes in the United States. The Issuer has not undertaken to register the Notes under the U.S. Securities Act or any U.S. state securities laws or to effectuate any exchange offer for the Notes in the future. Furthermore, the Issuer has not registered the Notes under any other country's securities laws. Each potential investor's has an obligation to ensure that the offers and sales of Notes comply with all applicable securities laws. Due to these restrictions, there is a risk that a Noteholder cannot sell its Notes as desired.

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

The Notes will be affiliated to Euroclear's account-based system, and no physical Notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of principal amounts, will be carried out within Euroclear's book-entry system. Investors are therefore dependent on the functionality of Euroclear's account-based system.

#### 2.2.19 Amended or new legislation

The Terms and Conditions are based on Swedish law in force at the date of issuance of the Notes. There is a risk that amended or new legislation, case law and administrative practices could adversely affect the market value of the Notes.

#### 2.2.20 Conflict of interests

The Sole Bookrunner may in the future engage in, investment banking or other services for the Group in its ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

### **3 ASSURANCE REGARDING THE PROSPECTUS**

The issuance of SEK 500,000,000 of the Notes was authorised by resolutions taken by the board of directors of the Issuer on 9 August 2017 and SEK 200,000,000 was subsequently issued by the Issuer on 15 September 2017 and SEK 100,000,000 was subsequently issued on 4 March 2019, after the Notes were authorised by resolutions taken by the board of directors of the Issuer on 18 February 2019.

The Issuer is responsible for the content of this Prospectus and has taken all reasonable precautions to ensure that, as far as the Issuer is aware, the information in this Prospectus accords with the facts and contains no omission likely to affect its import. To the extent prescribed by law, the board of directors of the Issuer is also responsible for the content of this Prospectus. The board of directors has taken all reasonable care to ensure that the information in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Issuer is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect.

30 April 2019

**MaxFastigheter i Sverige AB (publ)**

*The board of directors*



#### 4 THE NOTES IN BRIEF

The following summary of the Notes contains basic information about the Notes. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete understanding of the Notes, including certain definitions of terms used in this summary, see the Terms and Conditions. Unless otherwise defined or the context requires otherwise, capitalised words and expressions used herein shall have the same meaning given thereto in the Terms and Conditions.

Issuer:	MaxFastigheter i Sverige AB (publ)
Status:	<p>The Notes are debt instruments (<i>skuldförbindelser</i>) of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act (<i>lagen (1998:1479) om kontoföring av finansiella instrument</i>) each in the Nominal Amount and issued by the Issuer on the terms set out in the Terms and Conditions.</p> <p>The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among them and all its other direct, general, unconditional, unsubordinated and unsecured obligations, except those obligations which are mandatorily preferred by law.</p>
ISIN:	SE0010297283.
The aggregate amount of the Notes:	SEK 500,000,000.
Currency:	SEK.
Initial Note Issue:	SEK 200,000,000.
Subsequent Note Issues:	<p>SEK 100,000,000 on the Second Issue Date.</p> <p>The Issuer may at one or more occasions after the First Issue Date issue Subsequent Notes so long as the aggregate amount of such Subsequent Notes and the Initial Notes does not exceed SEK 500,000,000, in each case provided that the Incurrence Test (calculated pro forma including such Subsequent Note Issue) is met and satisfaction of all conditions precedent to such Subsequent Note Issue. Any Subsequent Note shall be issued subject to the same Terms and Conditions as the Initial Notes.</p>
First Issue Date:	15 September 2017.
Second Issue Date:	4 March 2019.
Final Maturity Date:	15 September 2020.

- Interest Rate: STIBOR plus 6.50 per cent *per annum*. Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period. 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).
- Interest Period: The period from, but excluding, one Interest Payment Date (or, as the case may be, the First Issue Date) to (and including) the next succeeding Interest Payment Date (or shorter period if relevant).
- Interest Payment Dates: 15 March, 15 June, 15 September and 15 December in each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment for the Notes was 15 December 2017 and the last Interest Payment Date shall be the Final Maturity Date (or any Redemption Date prior thereto).
- STIBOR: STIBOR means:
- a) the applicable percentage rate per annum displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
  - b) if no rate 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 the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
  - c) if no quotation is available pursuant to paragraph b), 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.

Nominal Amount:	SEK 1,000,000.
Right to receive payments under the Notes	Payment of the Nominal Amount and Interest shall be made to the person who is registered in the debt register ( <i>skuldbok</i> ) as holder on the Record Date prior to each Interest Payment Date.
Mandatory repurchase due to a Change of Control Event, Listing Failure or De-listing Event (put option):	Upon the occurrence of a Change of Control Event, Listing Failure or De-listing Event, each Noteholder shall during a period of 60 Business Days from the effective date of a notice from the Issuer of such event (after which period such right shall lapse), have the right to request that some, or all of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.
Voluntary total redemption (call option):	<p>The Issuer may redeem all, but not some only, of the outstanding Notes in full:</p> <ul style="list-style-type: none"> <li>a) any time prior to the First Call Date, at an amount per Note equal to the Make Whole Amount;</li> <li>b) any time from and including the First Call Date to, but excluding, the first Business Day falling 27 months after the First Issue Date at an amount per Note equal to 102.60 per cent. of the Nominal Amount;</li> <li>c) any time from and including the first Business Day falling 27 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Note equal to 101.625 per cent of the Nominal Amount;</li> <li>d) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the first Business Day falling 33 months after the First Issue Date at an amount per Note equal to 100.65 per cent. of the Nominal Amount; and</li> <li>e) any time from and including the first Business Day falling 33 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100 per cent. of the Nominal Amount,</li> </ul> <p>in each case together with accrued but unpaid interest.</p>

Early redemption due to illegality (call option):	The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note 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.
First Call Date:	15 September 2019.
Make Whole Amount:	<p data-bbox="715 528 962 562">An amount equal to:</p> <ul style="list-style-type: none"> <li data-bbox="715 584 1335 763">a) the present value on the relevant record date of 102.60 per cent. of the Margin of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and</li> <li data-bbox="715 786 1335 1133">b) the present value on the relevant record date of the remaining coupon payments less any accrued but unpaid interest up to the relevant redemption date, to and including the First Call Date (assuming that the Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Noteholders),</li> </ul> <p data-bbox="715 1155 1335 1435">each calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond Rate (i.e. comparable to the remaining duration of the Notes until the mentioned date falling on the First Call Date) and where “relevant record date” shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.</p>
Purchase of Notes by the Issuer and any other Group Company:	The Issuer and any other Group Company may, subject to applicable law, at any time and at any price purchase Notes on the market or in any other way. Notes held by the Issuer or any other Group Company may at their discretion be retained or sold and the Issuer may cancel Notes held by it.
Change of Control Event:	The occurrence of an event or series of events whereby one or more persons, acting in concert, acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

Certain undertakings:	<p>The Terms and Conditions contain a number of undertakings which restrict the ability of the Issuer and the Group, including, inter alia:</p> <ol style="list-style-type: none"> <li>a) restrictions on paying dividends or similar distributions;</li> <li>b) restrictions on making any substantial changes to the general nature of the business of the Group;</li> <li>c) restrictions on mergers and demergers of Group Companies or disposal of certain assets such as any Group Company;</li> <li>d) restrictions on providing certain loans or guarantees; and</li> <li>e) restrictions on the issuing of Market Loans.</li> </ol>
Use of proceeds:	<p>The Issuer shall use the Net Proceeds from each Note Issue, towards acquisitions, investments and for general corporate purposes of the Group (including refinancing of financial indebtedness and acquisitions).</p>
Prescription:	<p>The right to receive repayment of the principal of the Notes shall become prescribed ten years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall become prescribed three years from the relevant due date for payment.</p>
Transfer restrictions:	<p>The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable from time to time under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.</p>
Listing:	<p>An application will be made to list the 100 Subsequent Notes issued on the Second Issue Date on Nasdaq Stockholm in connection with the approval of this Prospectus by the Swedish Financial Supervisory Authority. The preliminary first trading day for such Subsequent Notes is 3 May 2019. The total number of Notes admitted to trading if the application is approved by Nasdaq Stockholm is 300.</p>
No physical Notes	<p>The Notes are affiliated to Euroclear's account-based system, and no physical Notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and</p>

redemption of principal amounts, will be carried out within Euroclear's book-entry system.

Agent:	Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879 or another party replacing it as Agent in accordance with the Terms and Conditions. The Agent is acting as agent for the Noteholders in relation to the Notes, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. Even without a separate authorisation from the Noteholders and without having to obtain any Noteholder's consent (if not required to do so under the Terms and Conditions), the Agent, or a person appointed by the Agent, is entitled to represent the Noteholders in every matter concerning the Notes and the Terms and Conditions subject to the terms of the Terms and Conditions. The Agent is authorised to act on behalf of the Noteholders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Notes). Each Noteholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), as the Agent deems necessary for the purpose of carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Noteholder which does not comply with such request of the Agent. An agreement has been entered into between the Agent and the Issuer regarding, inter alia, the remuneration payable to the Agent. The rights and obligations of the Agent are set forth in the Terms and Conditions.
Issuing Agent:	Arctic Securities AS, filial Sverige, Swedish Reg. No. 516408-5366, or another party replacing it as Issuing Agent in accordance with the Terms and Conditions and the CSD Regulations.
Governing law of the Notes:	Swedish law.
Risk factors:	Investing in the Notes involves substantial risks and prospective investors should refer to the section entitled "Risk factors" for a discussion of certain factors that they should carefully consider before deciding to invest in the Notes.

## 5 THE GROUP AND ITS OPERATIONS

### 5.1 The Issuer and the Group

The Issuer's legal and commercial name is MaxFastigheter i Sverige AB (publ) and its registration number is 556937-5487. The Issuer was incorporated in Sweden and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 16 July 2013. The Issuer is a public limited liability company (*publikt aktiefbolag*) subject to, inter alia, the Swedish Companies Act (*aktiefbolagslagen (2005:551)*) and the Swedish Annual Accounts Act (*årsredovisningslagen (1995:1554)*). The seat of the Board of Directors is in Gävle. The Group's operations are governed by Swedish law. The Issuer complies with all applicable rules and regulations in accordance with the listing of the Issuer's shares on Nasdaq Stockholm First North and the listing of the Notes on the corporate bond list on Nasdaq Stockholm. The Issuer has not adopted the Swedish Code for Corporate Governance (the "**Code**") as it is not applicable to the Issuer.

The registered office is in Torshälla. The telephone number of the Issuer is 016-200 69 90.

The Issuer is currently the parent company of 33 direct or indirect subsidiaries. All companies constituting the Group are wholly-owned by the Issuer and incorporated in Sweden.

According to paragraph three of the Issuer's articles of association, the purpose and business of the Issuers is to own and manage properties and thereto pertaining business. The Issuer is a holding company and the Group's operations are conducted via operating subsidiaries. The Issuer is dependent upon such subsidiaries ability to generate cash to fulfil the Issuer's obligations.

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

Pursuant to its articles of association, the Issuer's share capital shall be no less than SEK 25,000,000 and not more than SEK 100,000,000 split into not less than 10,000,000 shares and not more than 40,000,000 shares. The Company's share capital (including the new shares issued directly to NP3 Fastigheter AB and Brobryggen Intressenter AB as further described below) amounts to SEK 46,610,202.50 split into 18,644,081 ordinary shares. All outstanding shares issued by the Issuer have been fully paid.

There are no bonus programs for the board of directors or the senior management team, other than Håkan Karlsson and Magnus Fält who can each receive up to three months' salary as bonus provided that the Group achieves certain financial results.

The Issuer's shares are listed on Nasdaq Stockholm First North.

The following table sets forth the major shareholders in the Company as of 31 December 2018.

Shareholder	Number of shares	Capital/Votes
TTC Invest AB	1,978,295	13.6%
Danica Pension	709,886	4.9%
Axagon AB	659,560	4.5%
Jan-Ove Tangen med bolag	601,753	4.1%

Shareholder	Number of shares	Capital/Votes
Andreas Daag	533,161	3.7%
Rellco Invest AB	507,857	3.5%
EkoFast Invest AB	425,497	2.9%
Nordnet Pensionsförsäkring	391,804	2.7%
Magnus Daag	329,900	2.3%
Haslem Invest	322,582	2.2%
<b>Total for the 10 largest shareholders:</b>	<b>6,460,265</b>	<b>44.3%</b>
Other shareholders:	8,112,856	55.7%
<b>Total:</b>	<b>14,573,151</b>	<b>100%</b>

On 15 February 2019, the Issuer completed a property exchange transaction with NP3 Fastigheter AB with a directed issue of new shares in the Issuer to NP3 Fastigheter AB pursuant to which the Issuer acquired real properties in Arvika, Filipstad, Hagfors, Karlstad, Sunne and Torsby with a total lettable area of 30,900 square meters and annual rental value of MSEK 17.7. As consideration NP3 Fastigheter AB received the real property Sundsvall Ljusta 7:9 and 1,426,849 newly issued shares in the Issuer (equal to a total value of SEK 42,805,470). NP3 Fastigheter AB now holds shares in the Issuer equal to 8.9 per cent. of the total number of shares and votes in the Issuer and is hence the third largest shareholder in the Issuer.

The Issuer has on 29 April 2019 completed the acquisition of all the shares in Brofastigheten AB from Brobryggen Intressenter AB. Brofastigheten AB is the owner of the real properties Upplands-Bro Klöv and Lilla Ullevi 1:12 with a total lettable area of 18,244 square meters and a total annual rental income of MSEK 22,0. The consideration was paid in part by 2,644,081 newly issued shares in the Issuer (equal to a total value of MSEK 80). Brobryggen Intressenter AB now holds shares in the Issuer equal to approximately 14 per cent. of the total number of shares and votes in the Issuer and is hence the largest shareholder in the Issuer.

As far as the Issuer is aware, there are no direct or indirect significant ownership or control over the Issuer in addition to the table above. Further, there are currently no known agreements or other arrangements that will or may result in a change of control over the Issuer.

The shareholders' influence is exercised through active participation in the decisions made at general meetings of the Company. To ensure that the control over the Issuer is not abused, the Issuer complies with the Swedish Companies Act. In addition, the Issuer acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Issuer.



### **5.3 Business**

The Issuer's business is to acquire, develop and manage real properties geographically concentrated to central Sweden and with strong cash flows. The business is carried out in accordance with the purpose set out in paragraph three of its articles of association through wholly-owned subsidiaries and the Issuer is the parent company of the Group. Consequently, the Issuer is dependent upon its subsidiaries' ability to generate cash to fulfil the Issuer's obligations.

### **5.4 Properties**

The Group owned as of 31 December 2018 a total of 33 properties with a total lettable area of 133,999 sqm. The properties are allocated to the categories retail, recreation, public use, office and logistics/industrial. The two major categories are retail and recreation at 67 per cent and 17 per cent respectively of the total value of all properties owned by the Group.

The properties are located in seven regions with focus on Västerås with 27 per cent of the total value, Karlstad at 20 per cent, Eskilstuna at 20 per cent and Norrköping at 14 per cent. Of the total property value, 76 per cent is located in regional cities.

### **5.5 Investments**

Since the date of publication of the Group's latest consolidated annual report, the Group has not made any additional investments, other than the completion of the acquisition of all the shares in Brofastigheten AB as further described in section 5.2 above. As investments are an integral part of the Issuer's business, the Group has calculated investments for current projects to SEK 243 million for two main projects, one is a development project in Eskilstuna at the property Fanfaren and construction of a restaurant in Kjula Logistics park in Eskilstuna. The second major project is the construction of 28,000 sqm retail area in Skiftinge outside of Eskilstuna, for which initial declarations have been signed with the municipality. The investments are to be financed with a combination of equity, existing liquidity and debt.

### **5.6 Tendencies**

Apart from the following tendencies, which are based on the Issuer's opinion, the Issuer is not aware of any tendencies that, directly or indirectly, have materially affected or materially would affect the Issuer's business and operations.

The Issuer's business is affected by the general economic development in Sweden and in particular in the region where the Issuer has its business and assets. The general economic development in Sweden has been positive with low inflation and low interest rates and whilst the housing market, especially in the Stockholm area, has seen a slowdown due to decreased demand. The commercial market has seen high demand and low supply even if there is concern about the development in retail properties as online shopping increases its share. The Issuer has expanded its portfolio and decreased vacancies during 2018.

### **5.7 Material Contracts**

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

## **6 BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITORS**

### **6.1 Board of directors**

The board of directors of the Issuer currently consists of six members. The Issuer's board of directors can be contacted through the Issuer at its head office: Eskilstunavägen 34, SE-644 30, Torshälla. Information about the members of the board of directors, including any assignments outside the Group which are significant for the Issuer, is set out below.

#### **Christer Sundin**

Born 1949 and currently residing in Sweden. Member of the board of directors and chairman of the board since 2016.

Christer has the following positions outside of the Group of significance for the Issuer: Board member and CEO of Östersundshem Björnvaktaren AB; CEO of Östersundshem AB; Chairman of the board of directors of Lignus Housing AB, Colabitoil Fastigheter AB, Colabitoil Produktion AB, Colabitoil Fuel Production AB, Colabitoil Takanläggningar AB, Colabitoil GDG-Macken AB and Östersundshem Lokaler AB; Board member of Arkitektkopia AB, Arkitektkopia Holding AB, Kraftkonsult i Skandinavien AB, Colabitoil Sweden AB, Örndalen Exploatering AB, Örndalen Holding AB, Örndalen Hotellfastighets AB, Örndalen Lift AB and C L S Invest AB.

Shareholdings in the Issuer as of 31 December 2018: 67,200 shares.

#### **Filip Andersson**

Born in 1970 and currently residing in Sweden. Member of the board of directors since 2016.

Filip has the following positions outside of the Group of significance for the Issuer: Board member and CEO of Bilmetro Finans & Förvaltning Aktiebolag, Bilmetro Aktiebolag, Bilmetro Finans & Förvaltning Aktiebolag and Pändel & Thavelin Aktiebolag; Board member of Bilmetro i Bollnäs Aktiebolag, Bilmetro i Hudiksvall Aktiebolag, Bilmetro Lastbilar AB, Bilmetro i Ludvika AB, Bilmetro i Dalarna AB, Bilmetro i Avesta, Bilmetro i Mora AB, Nerja Real Estate AB, Hemlingby 61:2 AB, Bilmetro i Gävle Aktiebolag, Metrobus Aktiebolag, Aktiebolaget Otrem, Bilmetropolen i Gävle-Dala AB, TTC Invest AB, Bilmetro Lastbilar i Hudiksvall AB, TTC Rental AB, Bilmetro Hemlingby 52:11 AB, Uppsala Danmark-Säby 8:1 AB, Gefle Estate AB, Svensk Finansservice AB, FBA Förvaltning i Gävle AB and SkiHouse 303 AB; Deputy board member of Erika Strandell AB, Breccian Tre AB and F2 Invest AB.

Shareholdings in the Issuer as of 31 December 2018: 1,451,800 shares via companies.

#### **Sven Engwall**

Born in 1961 and currently residing in Sweden. Member of the board of directors since 2016.

Sven has the following positions outside of the Group of significance for the Issuer: CEO and board member of Axagon Aktiebolag; Chairman of the board of directors of Bostadsrättsföreningen Staven i Kungsberget; Board member of Gefle Estate AB, Kungsbergets Hotellfastighet AB, Branäs Hotellfastighet AB, Åhusen A och C i Kungsberget AB, Gästservice Boende i Kungsberget AB, Branäs Mountain Lodge Fastighet AB, Åhuset E i Kungsberget AB, Södra Muren Holding AB, Åhusen F till I i Kungsberget AB, Branäs Bergsfastighet A-C AB, Kanalis Invest AB and Bostadsrättsföreningen Engeltofta Sea Lodge.

Shareholdings in the Issuer as of 31 December 2018: 538,000 shares via companies.

#### **Leif Hässel**

Born in 1960 and currently residing in Sweden. Member of the board of directors since 2016.

Leif has the following positions outside of the Group of significance for the Issuer: Board member of Seglet Holding AB, Nya Engeltofta AB, Giflan AB, Gefle Estate AB, Bo Bra Intressenter i Gävle AB, Engeltofta AB and Engeltofta Produktion AB; Deputy board member of HJELNA AB and PETA Invest AB.

Shareholding of the Issuer as of 31 December 2018: 103,480 shares via companies.

#### **Julia Öhman Persson**

Born in 1971 and currently residing in Sweden. Member of the board of directors since 2016.

Julia has the following positions outside of the Group of significance for the Issuer: Board member and CEO of Seglet Holding AB; Chairman of the board of directors of Fastighetsaktiebolaget Seglet, Fastighets AB Sjöorrten, Doxa Ekonomi AB, Systrarna Öhman AB and Främby Udde Strandby AB; Board member of Järvsö Syd AB, Hotellfastigheter i Järvsö AB, Mitt Consulting i Ljusdal AB, Skidstadion i Järvsö AB, Öjeberget Holding AB and Runn Resort AB; Deputy board member of Propus Aktiebolag, Light Valley Invest Aktiebolag and No. 4 Projekt AB.

Shareholding in the Issuer as of 31 December 2018: 249,880 shares via companies.

#### **Robert Engwall**

Born in 1958 and currently residing in Sweden. Member of the board of directors since 2016.

Robert has the following positions outside of the Group of significance for the Issuer: Board member and CEO of Rellco Invest AB; Chairman of the board of directors of FastEskil Invest AB, KungFast AB and Gräsvallen 4 AB; Board member of FUDO AB and BrukFast AB; Deputy board member of RyRe Förvaltning AB.

Shareholdings in the Issuer as of 31 December 2018: 448,280 shares via companies.

## **6.2 Committees**

The board of directors have decided not to establish a separate remuneration committee, the board as a whole has conducted such work in order for all of the directors to receive information and influence on remuneration issues. The work of the audit committee has been conducted by Julia Öhman Persson, Leif Hässel and Christer Sundin that have supervised and assured the financial reporting and the efficiency of the Issuer's internal control system and risk management. The nomination committee is made up of representatives from the Issuer's three largest shareholders. For 2019, the nomination committee has consisted of Filip Andersson, on behalf of TTC Invest AB, Sven Engwall, on behalf of Axagon AB and Anders Tangen on behalf of Jan-Ove Tangen (and companies).

### 6.3 Senior management

The senior management of the Issuer currently consists of two members. The Issuer's senior management can be contacted through the Issuer at its head office: Eskilstunavägen 34, SE-644 30, Torshälla. Information about the senior management, including any assignments outside the Group which are significant for the Issuer, is set out below.

#### **Håkan Karlsson**

Håkan is CEO of the issuer. Håkan has been CEO since 2016.

Håkan has the following positions outside of the Group of significance for the Issuer: Chairman of the board of directors of EkoFast Invest AB; Board member of EkoFast AB, RyRe Förvaltning AB, FastEskil Invest AB, KungFast AB, RYKA Invest AB, EkoFast Ekonomi AB, Fagersta Fårbo Fastighets AB, Hammartorp Projektutveckling AB and Företagarföreningen Hälla Fackhandel; Deputy board member of BrukFast AB.

Shareholdings in the Issuer as of 31 December 2018: 212,748 shares via companies.

#### **Magnus Fält**

Magnus is head of property management and deputy CEO of the Issuer. Magnus has been head of property management and deputy CEO since 2016, and he was on the board of directors of the Issuer between 2013-2016.

Magnus has the following positions outside of the Group of significance for the Issuer: Chairman of the board of directors of EkoFast AB, Fagersta Fårbo Fastighets AB and Hammartorp Projektutveckling AB; Board member of AB Sofielunds Fastigheter, AB Hotel Malmköping, Aktiebolaget Spero, FastEskil Invest AB, KungFast AB, TOMTE Invest AB, EkoFast Invest AB, EkoFast Ekonomi AB and Företagarföreningen Hälla Fackhandel.

Shareholdings in the Issuer as of 31 December 2018: 212,748 shares via companies.

### 6.4 Conflicts of interest

No member of the board of directors or the senior management has any private interests that might conflict with the Issuer's interests. However, as set out above, several members of the board of directors and senior management have certain financial interests in the Issuer as a consequence of their holdings, direct or indirect, of shares in the Issuer.

Although there are currently no conflicts of interest than mentioned above, it cannot be excluded that conflicts of interest may come to arise between companies in which members of the board of directors and members of the senior management have duties, as described above, and the Issuer.

No persons of the board of directors or the senior management are related, other than Sven Engwall and Robert Engwall who are brothers.

### 6.5 Auditors

At the annual general meeting held on 8 May 2018, PricewaterhouseCoopers AB with authorised auditor Gert-Ove Levinsson as the auditor in charge, were elected as the Issuer's auditors to serve until the end of the annual general meeting in 2019. Gert-Ove Levinsson has been the Issuer's auditor since 27 December 2016. Gert-Ove Levinsson is member of FAR, the professional institute for the accountancy sector in Sweden. The office address of Gert-Ove Levinsson is: Fabrikgatan 47, SE-702 23 Örebro.

## 7 SELECTED HISTORICAL FINANCIAL INFORMATION

The selected historical financial information presented below regarding financial years 2017 and 2018 is derived from the Group's consolidated annual reports for years 2017 and 2018. The Group's consolidated financial statements for 2018 and 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the interpretations provided by the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the EU. Furthermore, the Group also applies the Swedish Annual Account Act (*årsredovisningslagen (1995:1554)*).

The Group's financial statements for 2018 and 2017 have been audited. Other than the auditing of the Group's financial statements for 2018 and 2017, the Group's accountants have not audited or reviewed any part of this Prospectus. All reports are available on the Issuer's website [maxfastigheter.se](http://maxfastigheter.se) and can also be obtained from the Issuer in hard copy.

The information below shall be read together with Group's consolidated annual reports for the financial years 2018 and 2017 which are - but only with respect to the sections listed in section 8.9 (*Documents incorporated by reference*) - incorporated by reference into this Prospectus.

### 7.1 Consolidated income statement for the Group

Amounts in KSEK	Jan – Dec 2018	Jan – Dec 2017
Income	111,024	89,634
Property expenses	-28,242	-20,325
<b>Operating profit</b>	<b>82,782</b>	<b>69,309</b>
Central administration	-14,835	-14,385
Financial income	0	0
Financial expenses	-24,210	-16,334
<b>Profit from property management</b>	<b>43,737</b>	<b>38,590</b>
Realised changes in value for properties	1,968	14,265
Realised changes in value for financial instruments	1,048	1,573
<b>Profit before tax</b>	<b>46,753</b>	<b>54,428</b>
Current tax	-2,043	-4,610
Deferred tax	-5,048	-4,715
<b>Profit for the year</b>	<b>39,662</b>	<b>45,103</b>

## 7.2 Consolidated balance sheet for the Group

Amounts in KSEK	31 Dec 2018	31 Dec 2017
<b>ASSETS</b>		
<i>Fixed assets</i>		
Investment properties	1,552,087	1,355,635
Inventory	425	360
	<b>1,552,512</b>	<b>1,355,995</b>
<i>Financial assets</i>		
Deferred tax assets	1,451	3,449
<b>Total fixed assets</b>	<b>1,553,963</b>	<b>1,359,444</b>
<i>Current assets</i>		
Account receivables	3,512	7,056
Tax asset	0	199
Other current receivables	22,415	24,712
Prepaid expenses and accrued income	4,017	3,177
Cash and cash equivalents	25,859	40,538
<b>Total current assets</b>	<b>55,803</b>	<b>75,682</b>
<b>TOTAL ASSETS</b>	<b>1,609,766</b>	<b>1,435,126</b>
<b>EQUITY AND LIABILITIES</b>		
<i>Equity</i>		
Share capital	36,433	36,433
Additional paid in capital	307,638	307,368
Accumulated profit and loss	231,933	209,176
<b>Total equity</b>	<b>575,734</b>	<b>552,977</b>
<i>Long-term liabilities</i>		
Interest-bearing liabilities	784,517	556,506

Financial derivatives	2,606	3,654
Deferred tax liabilities	50,760	47,709
<b>Total long-term liabilities</b>	<b>837,883</b>	<b>607,869</b>
<i>Current liabilities</i>		
Interest-bearing liabilities	143,904	231,491
Accounts payable	15,657	14,111
Tax liabilities	6,539	8,279
Other liabilities	15,803	7,356
Accrued expenses and deferred income	14,246	13,043
<b>Total current liabilities</b>	<b>196,149</b>	<b>274,280</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,609,766</b>	<b>1,435,126</b>

### 7.3 Consolidated cash flow statement for the Group

Amounts in KSEK	Jan – Dec 2018	Jan – Dec 2017
<i>Operations</i>		
Operating profit	82,782	69,309
Central administration	-14,835	-14,385
Adjustments for non-cash items, etc	<b>1,279</b>	<b>91</b>
Interest paid	-24,054	-15,583
Interest received	-	0
Tax paid	-3,583	365
<b>Operating cash flow before changes to working capital</b>	<b>41,589</b>	<b>39,913</b>
<i>Working capital changes</i>		
Increase/decrease in operating receivables	5,001	-8,386
Increase/decrease in operating debt	11,039	-51,049

<b>Operating cash flow</b>	<b>57,629</b>	<b>-19,522</b>
<i>Investment activities</i>		
Investments in existing properties	-194,484	-23,509
Acquisition of properties	0	-343,437
Investments in other tangible assets	-200	74
Property disposals	-	0
<b>Cash flow from investment activities</b>	<b>-194,684</b>	<b>-366,872</b>
<i>Financing activities</i>		
Issue of new shares	0	128,352
Dividend paid to shareholders	-16,905	-9,326
Borrowings	253,725	690,029
Amortisation of debt	-114,444	-388,101
<b>Cash flow from financing activities</b>	<b>122,376</b>	<b>420,954</b>
<b>Cash flow for the year</b>	<b>-14,679</b>	<b>34,560</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>40,538</b>	<b>5,978</b>
<b>Cash and cash equivalents at the end of period</b>	<b>25,859</b>	<b>40,538</b>



## **8 OTHER INFORMATION**

### **8.1 Legal proceedings and arbitration proceedings**

The Issuer has been involved in a legal dispute regarding the company name. However, the legal dispute has been settled. Other than that, the Issuer has not, during the previous twelve months, been and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had in the recent past, material adverse effects on the Issuer's and/or the Group's business or consolidated financial position.

### **8.2 Clearing and settlement**

The Notes amount in a total maximum of SEK 500,000,000. The nominal amount of each Note is SEK 1,000,000. The ISIN for the Notes is SE0010297283. As of the date of this Prospectus, SEK 300,000,000 of the Notes corresponding to 300 Notes have been issued. The Notes have been issued under Swedish law and are connected to the account-based system of Euroclear. No physical notes have been or will be issued. Payments of principal, interest and, if applicable, withholding tax will be made through Euroclear's account-based system.

### **8.3 Significant change and trend information**

On 15 February 2019, the Issuer completed a property exchange transaction with NP3 Fastigheter AB with a directed issue of new shares in the Issuer to NP3 Fastigheter AB pursuant to which the Issuer acquired real properties in Arvika, Filipstad, Hagfors, Karlstad, Sunne and Torsby with a total lettable area of 30,900 square meters and annual rental value of MSEK 17.7. As consideration NP3 Fastigheter AB received the real property Sundsvall Ljusta 7:9 and 1,426,849 newly issued shares in the Issuer (equal to a total value of SEK 42,805,470). NP3 Fastigheter AB now holds shares in the Issuer equal to 8.9 per cent. of the total number of shares and votes in the Issuer and is hence the second largest shareholder in the Issuer.

The Issuer has on 29 April 2019 completed the acquisition of all the shares in Brofastigheten AB from Brobryggen Intressenter AB. Brofastigheten AB is the owner of the real properties Upplands-Bro Klöv and Lilla Ullevi 1:12 with a total lettable area of 18,244 square meters and a total annual rental income of MSEK 22,0. The consideration was paid in part by 2,644,081 newly issued shares in the Issuer (equal to a total value of MSEK 80). Brobryggen Intressenter AB now holds shares in the Issuer equal to approximately 14 per cent. of the total number of shares and votes in the Issuer and is hence the largest shareholder in the Issuer.

There has been no material adverse change in the prospects of the Issuer since the date of publication of its last audited financial report and other than the above described transactions with NP3 Fastigheter and the acquisition of Brofastigheten AB, no significant change in the financial or market position of the Group since the end of the last financial period for which audited financial information has been published.

Since the Issuer issued its annual report for 2018, there has been no event particular to the Issuer that may have a material effect on the Issuer's solvency, other than the acquisition of Brofastigheten AB and thereto pertaining issuance of new shares in the Issuer to Brofastigheten AB.

#### **8.4 Certain material interests**

The Sole Bookrunner has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business.

Conflicts of interest may exist or may arise as a result of the Sole Bookrunner engaging in future transactions with other parties having multiple roles or carrying out other transactions for third parties with conflicting interests.

#### **8.5 Certain tax issues in Sweden**

The following is a summary of certain tax issues that may arise as a result of holding the Notes. The summary is based on Swedish tax legislation in force at the date of this prospectus and is intended only as general information for Noteholders that are resident in Sweden for tax purposes (*Sw. obegränsat skattskyldiga*) in Sweden, unless otherwise stated below. This summary does not purport to be, and shall not be used as, tax advice. Nor does the summary purport to be a comprehensive description of all tax considerations. As an example, the summary does not cover Notes held by partnerships (*Sw. handelsbolag*) or defined as a current asset in a business activity. Furthermore, this summary does not cover holdings on investment savings account (*Sw. investeringssparkonton*) which are subject to a standardised taxation, and certain tax issues that are not described below may also arise for certain investors, such as investment companies and insurance companies. The taxation of each investor depends on the specifics of such investor. Every investor in the Notes should consult tax advisers in order to receive information on the specific tax issues in relation to its particular case, including the application and effects of foreign tax legislation, tax treaties and other rules that may apply.

##### **8.5.1 Taxation of individuals resident in Sweden**

Individuals (*Sw. fysiska personer*) resident in Sweden for tax purposes (*Sw. obegränsat skattskyldiga*) are taxed on all their income in Sweden, regardless of source.

Capital gains in connection with any divestment of the Notes are taxed as capital income at a flat tax rate of 30 per cent. The capital gains or capital losses are calculated as the difference between the sales proceeds less the sales expenditure and the acquisition cost (costs related to acquisition and improvements) for the Notes sold. The acquisition cost is calculated according to the so-called average method, implying that the tax acquisition cost is calculated as the average of the actual acquisition cost for all of the Notes of the same type and class.

Individuals resident in Sweden for tax purposes are taxed on capital gains, such as interest, as capital income at a flat tax rate of 30 per cent. Interest payments are taxed when they become disposable.

Swedish preliminary tax is normally withheld when an amount that from a Swedish tax perspective is treated as interest, is paid by a legal entity (*Sw. juridisk person*) that is resident in Sweden to an individual or an estate of a deceased person (*Sw. dödsbo*) that is resident in Sweden. Additionally, Swedish preliminary tax is normally withheld on other form of returns on notes (however not on capital gains), if such return is paid out together with such interest payment mentioned above.

## 8.5.2 Corporate Taxation

All income in Swedish limited liability companies, including any capital gains and dividends that are taxable, is treated as business income and is subject to a flat tax rate. The current corporate tax rate is 21,4 per cent.

Capital gains and capital losses for Swedish limited liability companies are calculated in the same manner as for individuals. Capital losses on receivables are normally deductible.

Interest shall be recorded as income in the taxation year to which it, according to generally accepted accounting principles, relates.

## 8.5.3 Taxation of non-residents in Sweden

Individuals that are non-resident in Sweden for tax purposes (Sw. *begränsat skattskyldiga*) are taxed only on certain incomes in Sweden.

Capital gains which may occur when a Noteholder which is non-resident in Sweden for tax purposes (Sw. *begränsat skattskyldiga*) divests Notes are generally not subject to Swedish capital gains tax, provided that such Noteholders is not engaged in any business conducted from a permanent establishment in Sweden.

Swedish withholding tax is not applicable to repayments or payment of interest to Noteholders which are non-residents in Sweden for tax purposes (Sw. *begränsat skattskyldiga*), provided that such Noteholder are not engaged in any business conducted from a permanent establishment in Sweden.

In accordance with a specific tax rule, individuals who are non-resident in Sweden for tax purposes may be subject to Swedish capital gains tax when divesting certain financial instruments, if the person, at any time during the calendar year in which the divestment occurs or during any of the ten years prior to the divestment, has been resident or lived permanently in Sweden. The applicability of this rule may however be limited by an applicable tax treaty between Sweden and other countries.

## 8.6 **Benchmark**

Amounts payable under the Notes are calculated by reference to STIBOR. As at the date of this Prospectus, no administrator for STIBOR is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).

## 8.7 **Costs relating to listing of the Notes**

The estimated cost of listing the Notes on Nasdaq Stockholm is SEK 100,000.

## 8.8 **Documents on display**

Copies of the following documents will be on display during ordinary office hours on weekdays at the Issuer's head office at Eskilstunavägen 34, SE-644 30 Torshälla:

- a) the Issuer's articles of association;
- b) the consolidated annual reports and audit report for the Issuer and its subsidiaries for the financial years 2018 and 2017 (if applicable); and
- c) the terms and conditions of the Notes.

## 8.9 Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's website at [maxfastigheter.se](http://maxfastigheter.se):

- a) the Group's consolidated audited financial statement for 2018:
  - (i) consolidated income statement, page 32;
  - (ii) consolidated balance sheet, page 33;
  - (iii) consolidated cash flow statement, page 35;
  - (iv) consolidated statement of changes in equity, page 34;
  - (v) the audit report, pages 57-58; and
  - (vi) the notes, pages 41-55.
- b) the Group's consolidated audited financial statement for 2017:
  - (i) consolidated income statement, page 32;
  - (ii) consolidated balance sheet, page 33;
  - (iii) consolidated cash flow statement, page 35;
  - (iv) consolidated statement of changes in equity, page 34;
  - (v) the audit report, pages 53-55; and
  - (vi) the notes, pages 39-51.

Information in the above documents which is not incorporated by reference is either deemed by the Issuer not to be relevant for investors in the Notes or is covered elsewhere in the Prospectus. The documents can be obtained in paper format at the Issuer's head office at Eskilstunavägen 34, SE-644 30 Torshälla and are also available at the Company's web page, [maxfastigheter.se](http://maxfastigheter.se).

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THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, AND ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. THE NOTES 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.



**MaxFASTIGHETER**

**TERMS AND CONDITIONS**

for

**MAXFASTIGHETER I SVERIGE AB (PUBL)**

**MAXIMUM SEK 500,000,000**

**SENIOR UNSECURED FLOATING RATE NOTES 2017/2020**

**ISIN: SE0010297283**

First Issue Date 15 September 2017

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# 1 DEFINITIONS AND CONSTRUCTION

## 1.1 Definitions

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

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

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

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate of a Group Company, irrespective of whether such person is directly registered as owner of such Notes.

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

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

“**Agent**” means Nordic Trustee & Agency AB (publ) AB, Swedish Reg. No. 556882-1879, or another party replacing it as Agent in accordance with these Terms and Conditions.

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year’s Eve (*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 Equivalent**” means the cash and cash equivalents in accordance with the most recent Financial Report.

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more persons, acting in concert, acquire control, directly or indirectly, over more than 50 per cent. of the voting shares of the Issuer, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, in form and substance satisfactory to the Agent (acting reasonably), signed by the Issuer certifying compliance with the Incurrence Test or Maintenance Test (as applicable) (including figures in respect of the relevant financial tests and the basis on which they have been calculated). The Compliance Certificate shall include information on the number of Notes held by a Group Company or any Affiliate of a Group Company (if any).



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

“**Debt Register**” means the debt register (*skuldbok*) kept by the CSD in respect of the Notes.

“**De-Listing Event**” means the de-listing of the ordinary shares in the Issuer from a Regulated Market or MTF.

“**EBITDA**” means, in respect of the Reference Period, the consolidated profit of the Group, from ordinary activities according to the latest Financial Reports:

- a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- b) before deducting any Net Finance Charges;
- c) before taking into account any extraordinary or exceptional items which are not in line with the ordinary course of business;
- d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- e) not including any accrued interest owing to any Group Company;
- f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- h) plus or minus the Group’s share of the profits or losses of entities which are not part of the Group/after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- i) after adding any amounts claimed under loss of profit, business interruption or equivalent insurance, provided that it is reasonably likely (determined in good faith by the management of the Issuer after its best assessment) that the Group will be entitled to receive insurance proceeds under such insurance claims; and
- j) after adding back any amount attributable to the amortisation, depreciation, impairment or depletion of assets of members of the Group.

“**Equity**” means the aggregate of the consolidated non-distributable equity (*bundet eget kapital*) and distributable equity (*fritt eget kapital*) of the Group as per the latest Financial Report.

“**Equity Ratio**” means the ratio (expressed as a percentage) of Equity to Total Assets.

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

“**Finance Charges**” means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company according to the latest Financial Report(s)

(calculated on a consolidated basis) other than Transaction Costs, capitalised interest in respect of any loan owing to any Group Company or any shareholder loan and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

**“Final Maturity Date”** means the date falling three years after the First Issue Date.

**“Finance Documents”** means these Terms and Conditions and any other document designated by the Issuer and the Agent (on behalf of itself and the Noteholders) as a Finance Document.

**“Financial Indebtedness”** means:

- a) moneys borrowed (including Market Loans);
- b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability), provided that any leases which at the First Issue Date are treated as being operating leases, shall not be considered as being finance leases due to any subsequent change in the Accounting Principles;
- 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 Instruments Accounts Act”** means the Swedish Financial Instruments Accounts Act (*lagen (1998:1479) om kontoföring av finansiella instrument*).

**“Financial Report”** means the Group's annual audited consolidated financial statements or quarterly unaudited reports of the Group, which shall be prepared and made available in accordance with Clause 10.1.1.

**“First Call Date”** means the date falling 24 months after the First Issue Date.

**“First Issue Date”** means 15 September 2017.

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

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

**“Incurrence Test”** means the incurrence test set out in Clause 11.2 (*Incurrence Test*)

**“Initial Note Issue”** has the meaning set out in Clause 2.3.

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

**“Insolvent”** means, in respect of a relevant person, that it is unable or admits inability to pay its debts as they fall due, suspends or declares that it will suspend making payments on any of its debts or, by reason of actual financial difficulties, commences negotiations with all or substantially all of its known creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness or is subject to involuntary winding-up, dissolution or liquidation.

**“Interest”** means the interest on the Notes calculated in accordance with Clauses 8.1 to 8.3.

**“Interest Cover Ratio”** means the ratio of EBITDA to Net Finance Charges.

**“Interest Payment Date”** means 15 March, 15 June, 15 September and 15 December in each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 15 December 2017 and the last Interest Payment Date being the Final Maturity Date (or any Redemption Date prior thereto).

**“Interest Period”** means the period from, but excluding, one Interest Payment Date (or, as the case may be, the First Issue Date) to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

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

**“Issue Date”** means the First Issue Date and any subsequent issue date on which Subsequent Notes are issued.

**“Issuer”** means MaxFastigheter i Sverige AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556937-5487.

**“Issuing Agent”** means Arctic Securities AS, filial Sverige, Swedish Reg. No. 516408-5366, or another party replacing it as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

**“Legal Reservations”** means the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors.

**“Listing Failure”** means a failure to list the Initial Notes within 60 days after the First Issue Date on Nasdaq Stockholm or any other Regulated Market.

**“Loan to Value Ratio”** means the ratio (expressed as a percentage) of Net Interest Bearing Debt to the Total Market Value for all Properties.

**“Maintenance Test”** means the maintenance test set out in Clause 11.1 (*Maintenance Test*)

**“Make Whole Amount”** means an amount equal to:

- a) the present value on the relevant record date of *100 per cent. plus 40 per cent. of the Margin* per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- b) the present value on the relevant record date of the remaining coupon payments less any accrued but unpaid interest up to the relevant redemption date, to and including the First Call Date (assuming that the Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Holders),

each calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond Rate (i.e. comparable to the remaining duration of the Notes until the mentioned date falling on the First Call Date) and where “relevant record date” shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

**“Margin”** means 6.50 per cent.

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

**“Material Adverse Effect”** means a material adverse effect on:

- a) the business, financial condition or operations of the Group taken as a whole;
- b) the Issuer’s ability to perform and comply with its payment obligations under the Terms and Conditions; or
- c) (subject to the Legal Reservations) the validity or enforceability of the Finance Documents.

**“MTF”** means any multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

**“Net Finance Charges”** means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any Group Company and any interest income relating to Cash or Cash Equivalents (and excluding any interest capitalised on shareholder loans).

**“Net Interest Bearing Debt”** means the aggregate of all interest bearing debt (including debt instruments with payment in kind interest but excluding any loans between Group Companies) according to the latest Financial Report(s) less Cash and Cash Equivalents.

**“Net Proceeds”** means the proceeds from a Note Issue after deduction has been made for the Transaction Costs.

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

**“Note”** means a debt instrument (*skuldförbindelse*) for the Nominal Amount and of the type set out in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which is governed by and issued under these Terms and Conditions, including any Initial Note and any Subsequent Note.

**“Note Issue”** means the Initial Note Issue and any Subsequent Note Issue.

**“Noteholder”** means the person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Note.

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

**“Property”** means any real property owned by a member of the Group from time to time, jointly referred to as the **“Properties”**.

**“Record Date”** means the fifth Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 14 (*Distribution of Proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**“Redemption Date”** means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Notes*).

**“Reference Banks”** means Svenska Handelsbanken AB (publ), Skandinaviska Enskilda Banken AB (publ), Nordea Bank AB (publ) and Swedbank AB (publ) (or such other bank(s) as may be appointed by the Issuing Agent in consultation with the Issuer).

**“Reference Date”** means 31 March, 30 June, 30 September and 31 December each year so long as any Note is outstanding.

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

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

**“Securities Account”** means the account for dematerialised securities maintained by the CSD pursuant to the 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* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- b) if no rate 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 the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- c) if no quotation is available pursuant to paragraph b), 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 Note Issue”** has the meaning set out in Clause 2.4.

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

**“Subsidiary”** means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

**“Swedish Government Bond Rate”** means the yield to maturity at the time of computation of direct obligations of Sweden, acting through the Swedish National Debt Office under a Swedish government bond (*statsobligation*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the latest time according to these Terms and Conditions for issuing the notice for the redemption (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the relevant Redemption Date to the First Call Date; provided, however that if the period from the Redemption Date to the First Call Date is not equal to the constant

maturity of a direct obligation of Sweden, acting through the Swedish National Debt Office for which a weekly average yield is given, the Swedish Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of direct obligations of Sweden, acting through the Swedish National Debt Office, for which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of Sweden, acting through the Swedish National Debt Office, adjusted to a constant maturity of one year shall be used. If the Swedish Government Bond Rate is below zero, the Swedish Government Bond Rate will be deemed to be zero.

“**Swedish Kronor**” and “**SEK**” means the lawful currency of Sweden at the date of these Terms and Conditions.

“**Total Assets**” means by reference to the consolidated balance sheet of the Group, the consolidated book-value of all assets of the Group as per the latest Financial Report.

“**Total Market Value**” means the aggregate of the Value for all Properties.

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

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with acquisitions, investments, capital markets transactions, a Note Issue and the admission to trading of the Notes (including but not limited to fees to the Sole Bookrunner and the Issuing Agent for the services provided in relation to the placement and issuance of the Notes).

“**Value**” means the market value of a Property as set out in the most recent Valuation Report for the relevant Property.

“**Valuation Report**” means a valuation report of a Property specifying the Value of such Property, which must not be older than twelve months and prepared by an independent and reputable firm of appraisers acting on the Swedish market appointed by the Issuer.

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

## 1.2 Construction

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

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

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

1.2.3 When ascertaining whether a limit or threshold specified in 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 (*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 Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2 STATUS OF THE NOTES

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 Each Noteholder is bound by these Terms and Conditions and the other Finance Documents without there being any further actions required to be taken or formalities to be complied with. Each Noteholder acknowledges and agree, either by subscribing for or acquiring Notes, that the Notes are subject to these Terms and Conditions and the other Finance Documents.
- 2.3 The nominal amount of each Note is SEK 1,000,000 (the “**Nominal Amount**”). The Total Nominal Amount of the Initial Notes is SEK 200,000,000 (the “**Initial Note Issue**”). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.4 The Issuer may, on one or several occasions, issue Subsequent Notes. The Issuer may, at one or several occasions after the First Issue Date, issue Subsequent Notes (each such issue, a “**Subsequent Note Issue**”), so long as the Total Nominal Amount under such Subsequent Note Issue(s) and the Initial Note Issue does not exceed SEK 500,000,000 and in each case provided that the Incurrence Test (tested *pro forma* including such Subsequent Note Issue) is met. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes. The issue price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount.
- 2.5 The Notes 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 law and without any preference among them.
- 2.6 Upon a transfer of Notes, all rights and obligations under these Terms and Conditions and the other Finance Documents in relation to such Notes are automatically transferred to the transferee.
- 2.7 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder 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 Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

### **3 USE OF PROCEEDS**

The Issuer shall use the Net Proceeds from each Note Issue, towards acquisitions, investments and for general corporate purposes of the Group (including refinancing of financial indebtedness and acquisitions).

### **4 CONDITIONS PRECEDENT**

#### **4.1 Conditions precedent**

The Issuer shall provide the following documents and evidence to the Agent prior to an Issue Date:

- a) copy of the articles of association and a certificate of registration of the Issuer;
- b) copies of necessary corporate resolutions (including authorisations) from the Issuer approving the relevant Notes Issue;
- c) a duly executed copy of the Terms and Conditions;
- d) a duly executed copy of the Agency Agreement; and
- e) an agreed form Compliance Certificate.

#### **4.2 The Agent**

4.2.1 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 (*Conditions precedent*), is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.

4.2.2 The Agent shall confirm to the Issuing Agent when the Agent has received the conditions in Clause 4.1 (*Conditions precedent*).

### **5 NOTES IN BOOK-ENTRY FORM**

5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.

5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will, deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

5.3 The Issuer and the Agent shall 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.

5.4 For the purpose of or in connection with any Noteholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the Debt Register. If the Agent does not otherwise obtain information from the Debt Register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the Debt Register and provide it to the Agent.

5.5 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. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.



- 5.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the Debt Register and provide it to the Agent.
- 5.7 The Issuer and the Agent may use the information referred to in Clause 5.3 and 5.4 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

## **6 RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

- 6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 6.3 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 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

## **7 PAYMENTS IN RESPECT OF THE NOTES**

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes requested by a Noteholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder on the Record Date immediately prior to the relevant payment date.
- 7.2 If a Noteholder 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. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 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 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware that the payment was being made to a person not entitled to receive such amount.
- 7.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with a Note Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under the Terms and Conditions by virtue of any withholding tax.

## **8 INTEREST**

- 8.1 Each Initial Note 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 Note 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.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 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).
- 8.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two per cent. higher *per annum* than the Interest Rate for such Interest Period. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

## **9 REDEMPTION AND REPURCHASE OF THE NOTES**

### **9.1 Redemption at maturity**

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

### **9.2 Purchase of Notes by the Issuer and any other Group Company**

The Issuer and any other Group Company may, subject to applicable law, at any time and at any price purchase Notes on the market or in any other way. Notes held by the Issuer or any other Group Company may at their discretion be retained or sold and the Issuer may cancel Notes held by it.

### **9.3 Voluntary total redemption (call option)**

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

- a) any time prior to the First Call Date, at an amount per Note equal to the Make Whole Amount;
- b) any time from and including the First Call Date to, but excluding, the first Business Day falling 27 months after the First Issue Date at an amount per Note equal to *100 per cent. plus 40 per cent. of the Margin* per cent. of the Nominal Amount;
- c) any time from and including the first Business Day falling 27 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Note equal to *100 per cent. plus 25 per cent. of the Margin* per cent. of the Nominal Amount;

- d) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the first Business Day falling 33 months after the First Issue Date at an amount per Note equal to *100 per cent. plus 10 per cent. of the Margin* per cent. of the Nominal Amount; and
- e) any time from and including the first Business Day falling 33 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100 per cent. of the Nominal Amount,

in each case together with accrued but unpaid interest.

#### **9.4 Early redemption due to illegality (call option)**

The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note 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.

#### **9.5 Redemption notice**

Redemption in accordance with Clause 9.3 (*Voluntary total redemption (call option)*) or 9.4 (*Early redemption due to illegality (call option)*) shall be made by the Issuer giving not less than 20 Business Days' notice to the Noteholders 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 the relevant Record Date and shall be irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amounts.

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

9.6.1 Upon the occurrence of a Change of Control Event, Listing Failure or De-listing Event, each Noteholder shall during a period of 60 Business Days from the effective date of a notice from the Issuer of the Change of Control Event pursuant to Clause 10.1.3 (after which period such right shall lapse), have the right to request that some, or all of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.

9.6.2 The notice from the Issuer pursuant to Clause 10.1.3 shall specify the Redemption Date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.3. The Redemption Date must fall no later than 20 Business Days after the end of the period referred to in Clause 9.6.1.

#### **9.7 General**

9.7.1 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9, the Issuer may comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9 by virtue of the conflict.

9.7.2 Any Notes repurchased by the Issuer pursuant to this Clause 9 may at the Issuer's discretion be retained, sold or cancelled.

## **10 INFORMATION TO NOTEHOLDERS**

### **10.1 Information from the Issuer**

- 10.1.1 The Issuer shall make the following information available to the Noteholders in Swedish or English language by way of publication on the website of the Issuer:
- a) as soon as the same become available, but in any event within four months after the end of each financial year, its audited consolidated financial statements for that financial year prepared in accordance with the Accounting Principles;
  - b) as soon as the same become available, but in any event within two months after the end of each quarter of its financial year, its quarterly unaudited consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period prepared in accordance with the Accounting Principles; and
  - c) any other information required by the Swedish Securities Markets Act (*Iagen (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.
- 10.1.2 The Issuer shall in each quarterly report delivered, disclose the amount of Notes cancelled or issued by the Issuer during the financial quarter pertaining to such report, provided that no such information shall be necessary if no Notes have been cancelled or issued during the relevant financial quarter.
- 10.1.3 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event, Listing Failure or De-Listing Event, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.
- 10.1.4 The Issuer shall immediately notify the Agent 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 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.
- 10.1.5 The Issuer is only obliged to inform the Agent and the Noteholders according to this Clause 10.1 if informing the Agent or the Noteholders would not conflict with any applicable laws, rules or regulations (including rules issued by the MTF or Regulated Market where the shares in the Issuer are listed or where the Notes will be listed). If such conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 10.1.

### **10.2 Compliance Certificate**

The Issuer shall submit a Compliance Certificate to the Agent in connection with:

- a) a Restricted Payment that requires the Incurrence Test to be met;
- b) the incurrence of a Market Loan that requires the Incurrence Test to be met; and
- c) the financial statements are made available to the Noteholders pursuant to Clause 10.1.1 a) and b).

### **10.3 Information from the Agent**

Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 10.1.5 and restrictions of any applicable law and regulation the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may, if it considers it to be beneficial to the interests of the Noteholders, delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

### **10.4 Publication of Finance Documents**

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

10.4.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours. The Agent may charge the requesting Noteholder a reasonable administrative fee for making Finance Documents available.

## **11 FINANCIAL UNDERTAKINGS**

### **11.1 Maintenance Test**

11.1.1 The Issuer shall at all times ensure that the Maintenance Test is met.

11.1.2 The Maintenance Test is met if:

- a) the Equity Ratio is at least 25 per cent. on the relevant Reference Date;
- b) the Interest Cover Ratio is at least 1.80:1; and
- c) the Loan to Value Ratio does not exceed 75 per cent.

11.1.3 The Maintenance Test shall be tested quarterly on the basis of the Financial Report for the period ending on the relevant Reference Date and be included in the Compliance Certificate delivered in connection therewith. The first test date for the Maintenance Test shall be 30 September 2017.

### **11.2 Incurrence Test**

11.2.1 The Incurrence Test is met if:

- a) tested in connection with a Restricted Payment, the Equity Ratio is at least 30 per cent.;
- b) tested in connection with the incurrence of a Market Loan, the Equity Ratio is at least 27.5 per cent.; and
- c) no Event of Default is continuing or would occur upon the incurrence of such Market Loan or the making of such Restricted Payment (as applicable).

11.2.2 The calculation of the Incurrence Test shall be made as per a testing date determined by the Issuer, on the basis of the most recent Financial Report published prior to the incurrence of a Subsequent Note Issue, a Restricted Payment or the incurrence of a new Market Loan that requires that the Incurrence Test is met, and adjusted so that any assets acquired prior to the testing date and that any Subsequent Notes, Restricted Payment and new Market Loan (as applicable) are included *pro forma*.

## 12 GENERAL UNDERTAKINGS

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 12 for as long as any Note remain outstanding.

### 12.1 Distributions

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

- a) make any dividend payment;
- b) repurchase any of its shares;
- c) redeem its share capital or other restricted equity (*bundet eget kapital*) with repayment to shareholders; or
- d) make other distributions or transfers of value (*värdeöverföringar*) within the meaning of the Swedish Companies Act (*aktiebolagslagen (2005:551)*) to its direct or indirect shareholders

(paragraphs a) - d) above are together and individually referred to as a “**Restricted Payment**”), provided however that the following Restricted Payments shall be permitted to be made:

- a) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group in any fiscal year (including the Restricted Payment in question (other than payments permitted under paragraphs b), c) and d) does not exceed 50 per cent. of the Group’s consolidated profit from property management (*förvaltningsresultat*) after tax (i.e. profit before adding or deducting changes in the value of properties and derivatives but after tax) for the previous fiscal year and that the Incurrence Test is fulfilled (calculated *pro forma* including the relevant Restricted Payment);
- b) Restricted Payments between the Group Companies;
- c) if made by a Subsidiary which is not directly or indirectly wholly owned by the Issuer and is made on a pro rata basis or in a larger proportion to any Group Company; and
- d) capital contributions made to any joint venture owned in part, directly or indirectly, by the Issuer but not qualifying as a Subsidiary to it.

### 12.2 Market Loans

The Issuer may only issue Market Loans if:

- a) such Market Loan:
  - (i) meets the Incurrence Test tested *pro forma*;
  - (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Notes;
  - (iii) has a final redemption date that occurs after the Final Maturity Date; and
  - (iv) is unsecured or secured by way of Security in Properties owned by the Issuer or its Subsidiaries or shares in Subsidiaries owning Properties (including thereto pertaining Security over, *inter alia*, receivables and insurances as normally provided for Market Loans secured by real property);
- b) such Market Loan is issued for the purposes of a contemplated refinancing of the Notes in full and provided that the net proceeds from such Market Loan issuance is held in escrow until full repayment of the Notes; or

- c) such Market Loan is issued as Subsequent Notes.

### **12.3 Loans Out and Permitted Guarantees**

12.3.1 The Issuer shall not, and shall procure that no other Group Company will, provide any loan or guarantee to any party other than to another Group Company.

12.3.2 In addition to Clause 12.3.1, the Issuer and the other Group Companies shall be permitted to provide loans and guarantees to an external party if such loan or guarantee is provided:

- a) in relation to the acquisition or disposal (and the financing and refinancing of such acquisitions or disposals) of assets (including real property and companies owning real property) within the general nature of the business of the Group;
- b) in relation to development projects relating to a Property; or
- c) in the ordinary course of business.

### **12.4 Change of business**

The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on as of the First Issue Date if such change would have a Material Adverse Effect.

### **12.5 Listing**

The Issuer shall use its best efforts to ensure that:

- a) the Initial Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, not later than 60 days after the First Issue Date;
- b) any Subsequent Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, not later than 60 days after the relevant Issue Date; and
- c) the Notes, once admitted to trading on the relevant Regulated Market, continue being listed thereon for as long as any Note is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes).

### **12.6 Valuation Reports**

The Issuer shall once in every twelve-month period deliver to the Agent Valuation Reports for all Properties. In addition the Agent may at any time request a Valuation Report for one or more Properties if the Agent has reason to believe that the Issuer does not comply with the Loan to Value Ratio. All costs for Valuation Reports shall be borne by the Issuer.

### **12.7 Dealings at arm's length terms**

The Issuer shall, and shall procure that each other Group Company, conduct all dealings with persons, other than Group Companies, at arm's length terms.

### **12.8 Disposal of assets**

The Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of shares in any Group Company or of all or substantially all of its or a Group Company's assets, or operations to any person not being the Issuer or any of its wholly-owned Group Companies, unless the transaction is carried out at fair market value and provided that it does not have a Material Adverse Effect.

## 12.9 ***Pari Passu* ranking**

The Issuer shall ensure that its payment obligations under the Notes at all times rank at least *pari passu* with all its other direct, unconditional, unsubordinated and unsecured obligations, except for those obligations which are mandatorily preferred by law, and without any preference among them.

## 12.10 **Mergers and demergers**

The Issuer shall not and shall procure that no Group Company demerge or merge with an entity not being a Group Company if such merger or demerger would have a Material Adverse Effect. A merger involving the Issuer, where the Issuer is not the surviving entity, is not permitted.

## 12.11 **Compliance with laws**

The Issuer shall, and shall make sure that the Group Companies:

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

## 12.12 **Insurances**

The Issuer shall, and shall ensure that each Group Company will, maintain full value insurance and loss of rent insurance with reputable insurance companies on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

## 12.13 **Maintenance of environmental permits**

The Issuer shall ensure that each Group Company in all material respects obtains, maintains and ensures compliance with all environmental permits or authorisations applicable from time to time and required for the Group's business where failure to do so would have a Material Adverse Effect.

## 13 **ACCELERATION OF THE NOTES**

13.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least 50 per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 13.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes 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 fails to pay an amount on the date it is due in accordance with the Notes unless the non-payment (i) is caused by technical or administrative error and (ii) is remedied within five Business Days from the due date;
- b) **Other obligations.** The Issuer, fails to comply with or in any other way acts in violation of the Finance Documents, in any other way than as set out in paragraph a) (*Non-payment*), unless the non-compliance (i) is capable of remedy, and (ii) is remedied within 15 Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;



- c) **Cross-acceleration.** Any Financial Indebtedness of a Group Company is not paid within any originally applicable grace period (if there is one) 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), provided that no Event of Default will occur under this paragraph c) if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 10,000,000;
  - d) **Insolvency.** Any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
  - e) **Insolvency proceedings.** Any corporate actions, legal proceedings or other procedures are taken (other than (i) proceedings which are vexatious or frivolous or are being disputed in good faith and are discharged within 30 calendar days, and (ii), in relation to Subsidiaries of the Issuer, solvent liquidations) in relation to:
    - (i) the suspension of payments, winding-up, reorganisation (*företagsrekonstruktion*) or similar (by way of voluntary arrangement or otherwise) of any Group Company; and
    - (ii) the appointment of a liquidator, administrator, or other similar officer in respect of any Group Company or any of its assets or any analogous procedure.
  - f) **Creditors' process.** Any attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value equal to or exceeding SEK 10,000,000 and is not discharged within 30 calendar days;
  - g) **Continuation of the business.** The Issuer or any Group Company ceases to carry on its business or in the case of a merger or demerger as stipulated in Clause 12.10 (*Mergers and demergers*), if such discontinuation would have a Material Adverse Effect; and
  - h) **Invalidity etc.** It becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.
- 13.2 The Agent may not accelerate the Notes in accordance with Clause 13.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 13.3 The Agent shall notify the Noteholders of an Event of Default within five 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 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 Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default (or any event that may lead to an Event of Default).
- 13.4 If the Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes 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 Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 13.5 If the right to accelerate the Notes 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 law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

- 13.6 In the event of an acceleration of the Notes in accordance with this Clause 13, the Issuer shall redeem all Notes at an amount per Note equal to the redemption amount due under Clause 9.3 (*Voluntary total redemption (call option)*), together with accrued but unpaid Interest.

#### 14 DISTRIBUTION OF PROCEEDS

- 14.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 13 (*Acceleration of the Notes*) 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 (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, the protection of the Noteholders' 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 19.2.7 or subparagraph (ii) above, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.13, together with default interest in accordance with Clause 8.4 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 Notes (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 Notes; and
- d) **fourthly**, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Notes.

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

- 14.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1 such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1.

- 14.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.

- 14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least 15 Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

## 15 DECISIONS BY NOTEHOLDERS

- 15.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 15.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way 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 Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 15.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 15.4 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- a) on the Business Day specified in the notice pursuant to Clause 16.3, in respect of a Noteholders' Meeting, or
  - b) on the Business Day specified in the communication pursuant to Clause 17.3, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount.
- 15.5 The following matters shall require the consent of Noteholders representing at least 66 2/3 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3:
- a) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.8;
  - b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (*Redemption and Repurchase of the Notes*);
  - c) waive a breach of or amend an undertaking set out in Clause 12 (*General Undertakings*);
  - d) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
  - e) amend any payment day for principal or interest amount or waive any breach of a payment undertaking;
  - f) a mandatory exchange of the Notes for other securities; or
  - g) amend the provisions regarding the majority requirements under the Terms and Conditions.

- 15.6 Any matter not covered by Clause 15.5 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18.1 a) or b)), an acceleration of the Notes.
- 15.7 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least 50 per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.5, and otherwise 20 per cent. of the Adjusted Nominal Amount:
- a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - b) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 15.8 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 15.8, the date of request of the second Noteholders' Meeting pursuant to Clause 16.1 or second Written Procedure pursuant to Clause 19.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 15.7 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 15.9 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 15.10 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 15.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.12 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 15.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.

- 15.14 If a decision is to be taken by the Noteholders 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 Notes owned by Group Companies or to the Issuers knowledge, by an Affiliate of a Group Company, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate of a Group Company.
- 15.15 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **16 NOTEHOLDERS' MEETING**

- 16.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than five Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons). If the Noteholders' Meeting has been requested by the Noteholder(s), the Agent shall send a copy of the notice to the Issuer.
- 16.2 Should the Issuer want to replace the Agent, it may convene a Noteholders' Meeting in accordance with Clause 16.1 with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.3, the Issuer shall no later than five Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.1.
- 16.3 The notice pursuant to Clause 16.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) the day on which a person must be Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting, and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 16.4 The Noteholders' Meeting shall be held no earlier than 15 Business Days and no later than thirty 30 Business Days after the effective date of the notice.
- 16.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **17 WRITTEN PROCEDURE**

- 17.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than five Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Noteholder on the Business Day prior to the date on which the communication is sent.
- 17.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17.1 to each Noteholder with a copy to the Agent.
- 17.3 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification

of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least 15 Business Days from the date of the communication pursuant to Clause 17.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.

- 17.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 15.5 and 15.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5 or 15.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **18 AMENDMENTS AND WAIVERS**

- 18.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- a) such amendment or waiver is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
- b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
- c) such amendment or waiver is necessary for the purpose of listing the Notes on the corporate bond list of Nasdaq Stockholm, provided such amendment or waiver does not materially adversely affect the rights of the Noteholders; or
- d) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*), provided that any conditions precedent specified for the effectiveness of the approval by the Noteholders has been fulfilled.

- 18.2 The consent of the Noteholders 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.

- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.4 (*Publication 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 that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.4 (*Publication of Finance Documents*).

- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

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

### **19.1 Appointment of the Agent**

- 19.1.1 By subscribing or acquiring Notes, each Noteholder appoints the Agent to act as its agent in all matters relating to the Notes 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 Notes held by such Noteholder.

- 19.1.2 Each Noteholder 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 Noteholder which does not comply with such request.
- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in 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.
- 19.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **19.2 Duties of the Agent**

- 19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. The Agent is not responsible for the content, valid execution, perfection, legal validity or enforceability of the Finance Documents.
- 19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 19.2.3 The Agent's duties under the 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 Noteholders, 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 Noteholders or any other person.
- 19.2.4 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 (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- 19.2.5 The Agent is entitled to delegate its duties to other professional parties (without having to first obtain any consent from the Issuer or the Noteholders), but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 19.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders 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.
- 19.2.7 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 or circumstance which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents, or (iii) as otherwise agreed between the Issuer and the

Agent. 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 14 (*Distribution of Proceeds*).

- 19.2.8 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.
- 19.2.9 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 law or regulation.
- 19.2.10 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 Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 19.2.11 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.
- 19.2.12 The Agent shall give a notice to the Noteholders (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 19.2.10.

### **19.3 Limited liability for the Agent**

- 19.3.1 The Agent will not be liable to the Noteholders 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.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by, or addressed to, the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given to the Agent in accordance with the Finance Documents.
- 19.3.5 The Agent is not liable for information provided to the Noteholders by or on behalf of the Issuer or by any other person
- 19.3.6 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.



## **19.4 Replacement of the Agent**

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Noteholder (or Noteholders) representing at least ten per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 19.4.4 If the Noteholders have not appointed a successor Agent within 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 Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of 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 Noteholders 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.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under 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.

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

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

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

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

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

21.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or the listing of the Notes on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act and be authorised as a central securities depository in accordance with the Financial Instruments Account Act.

## **22 NO DIRECT ACTIONS BY NOTEHOLDERS**

22.1 A Noteholder may not take any steps whatsoever against the Issuer to 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 (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.

22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with these Terms and Conditions to take certain actions but is legally unable to take such actions.

22.3 The provisions of Clause 22.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.6 or other payments which are due by the Issuer to some but not all Noteholders.

## **23 TIME-BAR**

23.1 The right to receive repayment of the principal of the Notes shall be time-barred and become void ten years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.

23.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslagen (1981:130)*), a new limitation period of ten years with respect to the right to receive repayment of the principal of the Notes, and of three years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **24 NOTICES**

- 24.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- a) if to the Agent, shall be given to the address registered with the Swedish Companies Registration Office (*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 such email address as notified by the Issuer to the Agent from time to time; and
  - c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Noteholder in order to receive the communication or otherwise one Business Day prior to dispatch, and by either courier delivery (if practicable possible) or letter for all Noteholders.
- 24.2 A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.
- 24.3 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 24.1, in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1, or, in case of email, when received in readable form by the email recipient.

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

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

## **26 GOVERNING LAW AND JURISDICTION**

- 26.1 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.
- 26.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).
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