

*This prospectus was approved by the Swedish Financial Supervisory Authority on 23 November 2020. The validity of this prospectus will expire within twelve (12) months after the date of its approval. The obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this prospectus is no longer valid.*



# **Offentliga Hus i Norden AB (publ)**

**PROSPECTUS REGARDING THE ADMISSION TO TRADING OF  
SEK 550,000,000  
SENIOR UNSECURED CALLABLE FLOATING RATE GREEN BONDS  
2020/2024  
ISIN: SE0014965919**

**23 November 2020**

# IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Offentliga Hus i Norden AB (publ) (reg. no. 556824-2696) (“**Offentliga Hus**”, “**Company**” or the “**Issuer**” or together with its direct and indirect subsidiaries, unless otherwise indicated by the context, the “**Group**”), in relation to the application for admission for trading of bonds issued under the Company’s maximum SEK 1,000,000,000 senior unsecured callable floating rate green bonds 2020/2024 with ISIN SE0014965919 (the “**Bonds**”), of which SEK 550,000,000 was issued on 12 October 2020 (the “**First Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”), on the sustainable bond list on Nasdaq Stockholm Aktiefbolag (“**Nasdaq Stockholm**”). The Company may at one or more occasions after the Issue Date issue Subsequent Bonds under the Terms and Conditions, until the total amount under the Subsequent Bond Issue(s) and the Bond Issue equals SEK 1,000,000,000. For the avoidance of doubt, this Prospectus has not been prepared for the purpose of any Subsequent Bond Issue. Nordea Bank Abp (reg. no. 2858394-9), and Swedbank AB (publ) (reg. no. 502017-7753) have acted as joint bookrunners (together the “**Joint Bookrunners**”) and Swedbank AB (publ) (reg. no. 502017-7753) has acted as issuing agent (the “**Issuing Agent**”).

This Prospectus has been prepared by the Issuer and approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) pursuant to Chapter II and Article 20 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Furthermore, Annexes 7 and 15 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the content of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the SFSA that the information in this Prospectus is accurate or complete.

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

Solely for the purposes of each Joint Bookrunner’s (for the purposes of this paragraph, the “**manufacturers**”) product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

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

Amounts payable under the Bonds (as defined herein) are calculated by reference to STIBOR, which is provided by Financial Benchmarks Sweden AB. As of the date of this Prospectus (as defined herein), the Swedish Banker’s Association does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (“**BMR**”). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that the Swedish Banker’s Association is not currently required to obtain authorisation or registration.

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

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

This Prospectus has been prepared in English only and is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The Prospectus is available at the SFSA’s website ([www.fi.se](http://www.fi.se)) and the Company’s website ([www.offentligahus.se](http://www.offentligahus.se)).

# TABLE OF CONTENTS

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RISK FACTORS.....1

RESPONSIBLE FOR THE INFORMATION IN THE PROSPECTUS.....16

THE BONDS IN BRIEF .....17

DESCRIPTION OF THE COMPANY AND THE GROUP.....23

BOARD OF DIRECTORS AND SENIOR MANAGEMENT .....29

FINANCIAL INFORMATION.....33

DESCRIPTION OF MATERIAL AGREEMENTS.....36

OTHER INFORMATION.....38

TERMS AND CONDITIONS FOR THE BONDS .....46

ADDRESSES .....100

# RISK FACTORS

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*The purpose of this section is to enable a potential investor to assess the relevant risks related to their potential investment in the Bonds in order to make an informed investment decision. The risk factors set forth below are therefore limited to risks that are material and specific, to Offentliga Hus i Norden AB (publ) (the “Issuer” or “Offentliga Hus” and together with its direct and indirect subsidiaries, the “Group”) and the Bonds.*

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

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

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

### **The Group’s financial situation**

#### ***The Issuer is exposed to financing, interest rate and credit risks***

In addition to equity, the Group’s business is primarily financed through externally contributed capital, outstanding corporate bonds and hybrid loans. The interest and financing costs therefore constitute one of the largest costs for Offentliga Hus, the net financial items totalling approximately SEK 113 million during the financial year 2019.<sup>1</sup> As a result, the Issuer is exposed to financing, interest rate and credit risks. Moreover, it is probable that the majority of the required capital for financing of both the development of existing properties and future acquisitions will be obtained through real estate bonds or provided by banks, credit institutions or other lenders.

The prevailing low interest rate situation in Sweden has had a significant effect on the property market and has contributed to increased market value of properties. However, it is both possible and likely that market interest rate levels will be raised in future which must be taken into consideration. An increase in interest rate levels could have a negative effect on the market value of the Group’s property portfolio, and the Group could thereby be compelled to write-down the reported value of the property portfolio. If market interest rate increases it could generally lead to changes in the investor’s demand for properties and have a negative effect on a purchaser’s possibility of raising financing for property acquisitions. A change in the interest rate of +/- 1 per cent on the Issuer’s outstanding financing during the financial year 2019 would have impacted the Issuer’s cost of capital by approximately +/- SEK 33 million.

As of 31 August 2020, the Group’s external interest-bearing debts (debts to credit institutions, bonds and promissory notes) totalled SEK 6,296 million, of which SEK 924 million (corresponding to 15 per cent) will come up for extension or repayment within the coming 12-month period, SEK 1,495 million

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<sup>1</sup> In this context, “net financial items” means interest expenses, interest income and other financing costs including non-cash amortization of prepaid loan fees.

(corresponding to 24 per cent) will come up for extension or repayment within 12 to 24 months and SEK 2,614 million (corresponding to 42 per cent) will come up for extension or repayment repaid within 24 to 60 months. There is a risk that creditors will not extend credits for Offentliga Hus on the credits' due dates, that there will not be alternate credit facilities at the Issuer's disposal, or that credits can only be obtained at substantially higher costs than at present. There is also a risk that the Issuer's current or future credit rating will deteriorate, which could lead to the Issuer being unable to obtain financing on favourable terms, thus leading to increased costs for the Issuer. Furthermore, some of the Group's financing agreements contain terms that could limit the Group's future possibilities of raising new financing.

Should any of these risks materialise, it could have a high level of impact on the Issuer's financial condition and the Issuer might potentially need to seek financing from other sources, for example, through new share issues or by divesting the Issuer's properties at unfavourable prices.

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

***The value of the Issuer's properties could fluctuate***

Offentliga Hus properties are reported at fair value in the balance sheet and with changes in value in the income statement. At present, valuation of the Issuer's property assets is carried out at least once per financial year in relation to 100 per cent of the property portfolio. A number of circumstances may result in a decrease in value of the Issuer's properties. These circumstances may, *inter alia*, consist of a reduced earning capacity or a change in the expected market yield requirements. In the event that the Issuer writes down the value of its properties, it may result in a negative impact on the earnings and financial condition of Offentliga Hus. Moreover, changes may occur in the valuation frequency and in coverage. This could result in the value becoming more difficult to estimate for an investor, financial counterparties or third parties interested in the valuation of the Issuer's properties.

Should the value of Offentliga Hus' properties decrease and if the Issuer, as a result thereof, is compelled to write down their value, it may result a number of consequences. For example, it could involve the Issuer breaching covenants in its financing agreements, which in turn could result in financing becoming due for repayment ahead of schedule thus impacting the Issuer's liquidity.

Should this risk materialise, it could result in a high level of impact on the Issuer's financial condition, and the Issuer might potentially need to seek financing from other sources, for example, through new share issues or by divesting the Issuer's properties at unfavourable prices. In the event of a decrease in the value of the Issuer's properties, the value of the Issuer will likely also decrease.

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

***The Issuer has made financial commitments in its financing agreements that could negatively impact the Group's liquidity***

The Group's business has historically been financed through bank financing, bond loans (similar to the Bonds) and hybrid loans, and it is probable that the capital required to finance future acquisitions and investment costs in existing properties will also be obtained from these financing sources. The Group's possibilities for obtaining financing in the future are dependent on its operations, future prospects and

market situation. Under unfavourable market conditions, the Group's financial earnings could be negatively impacted, and this could decrease the Group's financing possibilities. Additionally, some of the Group's credit agreements contain financial commitments that, in an unfavourable market, could have particularly negative consequences for the Group, including but not limited to:

- the Group's financial and operational flexibility in the planning for, or adapting to, changes in its operations or industry being limited;
- the Group's ability to finance future investments in existing properties may be limited, since the Group could be obligated to use a part of its cash flow from its operating activities to pay off its debts;
- the Group's ability to utilise business opportunities or to execute acquisitions or investments may be limited;
- the Group's possibilities for obtaining additional, or secured future, credits may be limited;
- the Group's possibilities for resolving on dividends may be limited;
- the Group may have a competitive disadvantage compared with other companies that operate with a lower indebtedness.

If Offentliga Hus or other companies in the Group are in breach of one or more financial or other commitments in a financing agreement, this could lead to the financing becoming due for immediate repayment ahead of schedule, or that the credit institution realises collateral. If a financing becomes due for immediate repayment ahead of schedule it may, in accordance with cross default provisions, result in other obligations becoming due for repayment ahead of schedule as well. Cancellation of one or more financing raised by the Issuer or other companies in the Group, or realisation of pledged collateral, could have a high impact on the Issuer's liquidity.

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

***The Issuer is exposed to risks relating to the coronavirus (COVID-19).***

As a result of the coronavirus (COVID-19), states, public authorities and other organisations have imposed guidelines, recommendations, prohibitions and taken other measures for the purpose of limiting the spread of infection. Such measures include, for example, recommendations and restrictions regarding transportation and travel, closing workplaces, schools and other institutions and restrictions on the number of participants at, or the complete ban of public gatherings and public events.

To which extent COVID-19 will affect the Issuer's business, earnings and financial condition will depend on several factors that the Issuer cannot identify or assess with precision or certainty. Factors that may impact the Issuer include, *inter alia*, the scope and duration of the pandemic and negative effects on financial, political and market relations (see further the risk factor "*Changes in macroeconomic factors could impact the Issuer*" below).

The Issuer has been unable to establish any material impact on its business, earnings or financial condition. However, the Issuer has, identified existing risks related to Offentliga Hus where the Issuer deems that COVID-19 could increase the risk exposure.

In pace with the Issuer's tenants' exposure to the effects following the COVID-19 outbreak, the Issuer may be impacted by demands for lower rents and increased vacancy rates, which may result in reduced rental income or complete defaults in payment (see also the risk factor "*The Group's rental income may*

*decrease or fail to materialise*” below). As of 31 August 2020, 80 per cent of the Group’s rental income originated from tenants whose business is directly or indirectly financed through taxes. In the short term, this rental income is deemed not to be impacted by COVID-19, whereas it is deemed possible that the rest of the Issuer’s rental income could be negatively impacted over the short term. From a long-term perspective, there is a risk that competent authorities will issue more far-reaching safety regulations and draw up further requirements for public operations, particularly in the healthcare & care segment, as a consequence of the ongoing COVID-19 outbreak. As a result, such security regulations and requirements could mean that the Group will have to develop and adapt its existing properties to a greater extent than before, which could result in increased costs for the Group (see also the risk factor “*The Issuer is subject to risks related to maintenance, repairs, damage and defects in properties*” below).

Furthermore, the property market could be impacted by a long-term downturn in the business cycle. If the property supply increases or remains the same and the demand decrease, there is a risk that property prices will fall, which could impact the value of the Issuer’s property portfolio (see further the risk factor “*The value of the Issuer’s properties could fluctuate*” below).

The Issuer’s earnings and future growth could also be negatively impacted if ongoing or planned projects or investments are delayed or completely suspended, or planned maintenance is neglected owing to there being no possibility of finding financing solutions on terms that are acceptable to the Group, or at all, in the event COVID-19 has a negative impact on the credit market (see further the risk factor “*The Issuer is exposed to financing, interest rate and credit risks*” below). Given the difficulty in predicting the effects of the spread of COVID-19 and how long they will last, there is a risk that borrowing margins will be raised over the long-term as a result of financing costs for banks going up. As of 31 August 2020, the interest-bearing debt for Offentliga Hus totalled SEK 6,296 million, and in the event the Issuer’s financial position is negatively impacted, there is a risk that the Group’s creditworthiness will be impaired, or considered to have been impaired, which could lead to higher financing costs and fewer possibilities for the Group to be financed on acceptable terms. An increase/decrease of +/- 10 per cent in the Group’s financial expenses for the financial year 2019 would have impacted the period’s earnings before tax by +/- SEK 11 million. Additionally, an impaired financial position following changes in the property portfolio’s value, regardless of changed actual or reputed creditworthiness, could make it more difficult for the Group to finance its operations on terms that are acceptable to the Group.

COVID-19 and the global and regional economic changes that are occurring due to the pandemic (and following any future virus outbreaks) could also result in increased risk exposure in relation to other risk factors that have been identified and specified below, which in turn could have a material negative impact on the Group’s business, earnings and financial position.

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

#### ***The Issuer’s operating and maintenance costs could increase***

Offentliga Hus is responsible for the operating and maintenance costs of some of its properties. In certain cases, the Issuer is also responsible for the cost of electricity, refuse collection, heating and water. Several of these goods and services can only be purchased from individual players where alternate suppliers, in the event of any cost increases, may not be available or are unable to provide the same goods or services. If cost increases cannot be compensated by regulating leasing contracts or rental

increases, the Issuer's operating costs may increase relative to its rental income. Unexpected and extensive costs for property maintenance could also lead to increased operating costs for the Issuer. Such a development could, over time and in aggregate, have a negative impact on the Group's earnings.

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

#### ***The Issuer is exposed to risks in relation to the external management of its properties***

The existing business model is built on the Group engaging external service providers for technical property management and caretaking tasks. The external service suppliers are engaged for, *inter alia*, property administration services such as rental invoicing and collecting, property maintenance, some IT- and marketing services. Despite careful monitoring, there is a risk that the Group's external service providers cannot fulfil their obligations in a satisfactory manner, which could lead to delayed or reduced rental income, disruptions or other negative consequences that could have an unfavourable effect on the Group's earnings or reputation. The Group signs contracts with the external service providers and is thereby exposed to the risk that these contracts must be revised in the future. If the Group's external service providers are unable or unwilling to fulfil their obligations in relation to the Group, this may have a material negative effect on the Group's operations.

Offentliga Hus has contracts with several external suppliers of property management and technical property management – including Nordic PM AB, a company that is 64 per cent owned by Aktiebolaget Fastator (publ), which owns Offentliga Hus along with Offentliga Nordic Property Holding SARL through the joint holding company Nordact AB (publ) – pertaining to handling the property caretaking and technical management for the majority of the Group's property portfolio. Services totalling approximately SEK 25,495 thousand were purchased from Nordic PM AB during the financial year 2019. On 4 September 2020, the Issuer signed a new contract with Nordic PM AB which applies for the period of 1 July and 30 June 2023, see further section "*Material agreements - Property management agreement with Nordic PM AB*" for more information. Should the contract with Nordic PM AB be cancelled, there is a risk that the Issuer will not be able to replace it with other equivalent service providers and/or that the contract can only be replaced on less favourable terms, which could lead to increased costs that would have a negative material effect on the Group's earnings.

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

#### **The Group's business activities and industry**

##### ***The Issuer is exposed to risks related to acquisitions***

The Group's strategy includes growth through direct property acquisitions and through acquisitions of property-owning companies. These acquisitions expose the Group to several risks. For example, the Group makes certain assumptions and takes certain positions in connection with an acquisition, based on its due diligence on the properties to be acquired and other information available at the time of acquisition, including assumptions on future rental income and operating costs. These assumptions and positions involve risks and uncertainties that could lead to them being proven incorrect, and that the Group thus cannot achieve all the expected advantages of the acquisition. The risks in connection with a property acquisition include, *inter alia*, risks linked to future loss of tenants, environmental conditions and technical deficiencies. In the acquisition of property-owning companies, there are additional risks,



for example, of increased taxes and legal disputes as well as an increased indebtedness and increased interest costs. The expected economies of scale and cost savings could fail to materialise, either in part or completely, or be achieved later than estimated. This could result in higher costs than planned. Nor are there any guarantees that the systems, measures or checks required to support the Group's expansion will be sufficient, and they may require further development.

In the Group's acquisition agreements, the seller normally furnishes limited-time guarantees for the property and the company acquired. There is a risk that these guarantees will not sufficiently or completely cover all deficiencies that could arise. Moreover, there is a risk that a guarantee from the seller's side cannot be carried out owing to the seller being insolvent. In addition, acquisitions of property-owning companies could expose the Group to risks associated with integration of the acquisitions, including the inability to retain key personnel, merger costs, organisational expenses, unexpected costs as well as difficulties in achieving the expected synergy effects of the acquisitions and successfully implementing the Group's strategy after the acquisition. Since the Group is routinely engaged in acquisitions and exploring opportunities to acquire properties and property-owning companies, these risks may recur and the Group is thereby exposed to the risk of unexpected increases in transaction costs or cancelled acquisitions. In addition to the risks associated with the acquired properties themselves, some acquisitions may be very complex or difficult to integrate, thereby requiring a great deal of time and resources from management. If these risks pertaining to future acquisitions are realised, this could have a materially negative effect over time and in aggregate on the Group's operating profit.

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

#### ***Changes in macroeconomic factors could impact the Issuer***

Offentliga Hus has a strategy of acquiring, managing and improving properties where the majority of the rental income derives from tenants whose operations, directly or indirectly, are tax funded ("Community Service Properties"). The Issuer's existing property portfolio contains properties in 72 of Sweden's 290 municipalities. The Issuer's business is thus impacted by both macroeconomic factors and trends in the local property markets. These factors include, but are not limited to, growth in gross domestic product (GDP), inflation, population growth and employment levels. Community Service Properties are not impacted by the business cycle to the same extent as other types of commercial properties, which, *inter alia*, is due to such factors as the public sector having to ensure the availability of public services. Despite this, the Issuer's earnings are impacted by trends in macroeconomic conditions in the Swedish property market by influencing demand for commercial properties and thus the Issuer's occupancy rate, rent levels, the market value of its assets as well as access to and the cost of financing, which could lead to increased costs and reduced revenue and could have a negative impact on the Issuer's financial condition.

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

#### ***The Group could have difficulties divesting assets, or be compelled to redeem guarantee commitments***

The Group is exposed to risks following from difficulties in divesting parts of its property portfolio. Community Service Properties constitute a certain asset category and in some cases they have been adapted for specific purposes which could limit the amount of potential buyers. As a result, despite municipalities and regions having access to financing even when the financial markets are under stress through players such as Kommuninvest in Sweden, the market for the type of property that the Group owns or could acquire in future could experience periods of low turnover. If the Group needs to sell portions of its portfolio on short notice for some reason, for example to acquire working capital or to pay outstanding debts, the Group may potentially not sell part of its portfolio on favourable terms, or at all. In the event of an urgent sale, there could be a considerable difference between the fair value of the property, or property portfolio being sold, and the price that the Group would normally have received for the property or property portfolio. A loss of this kind could have a negative material effect on the Group's financial condition and operating profit. Moreover, the Group could have problems with divesting its properties due to clauses and mortgages in the Group's credit agreements. These restrictions could complicate or delay a planned property development.

In the Group's acquisition agreements, the seller normally furnishes time-limited guarantees for the property and the company acquired. When the Group sells properties or property-owning companies, there is a risk that the buyer will impose guarantees on the Group pertaining to any damage that could arise. The Group's operations encompass routine divestment of properties in order to free capital, and there are risks associated with this ownership and potential difficulties in locating interested buyers. Each of the above factors could lead to properties being divested at a considerably lower price than expected, which over time and in aggregate could have a negative material effect on the Group's financial condition and operating profit.

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

***The Issuer is exposed to risks related to property development***

The Offentliga Hus' operations encompasses property development projects, which includes the construction or extension of properties or tenant driven investment in the properties. For the financial year 2019, investments in existing properties totalled SEK 45 million, and as of 31 August 2020, the Issuer owned two properties, consisting in full or in part of building rights listed at market value in the year-end closing. Upon full utilisation in accordance with applicable zoning plans, it is assessed, within these two properties, to create approximately 30,000 square meters light gross area, of which approximately 20,000 square meters for residential purposes and 10,000 square meters for education and office purposes. The possibility of completing economically profitable development projects depends on a number of factors such as the ability of Offentliga Hus to engage and acquire the necessary expertise, construction engineering, engineering science, production and sales, as well as its ability to obtain the necessary permits and to ensure that the Issuer obtains favourable agreements with external developers. Larger conversion and tenant driven investment projects could be delayed and/or become more expensive than originally anticipated. Delays could also result in tenants being unable to utilise the premises, in full or in part, from the expected date, which could result in increased costs and/or reduced revenue. To the extent that the Issuer does not receive compensation for such increased costs or loss of income, it would have a negative material effect on the Group's business, financial condition and earnings.

The Issuer is also exposed to risks that occur while carrying out property development projects, for example workplace accidents. If the risk materialises, it could have a negative effect on the Group's earnings, financial condition and reputation.

The Issuer's development activities are also based on identifying suitable geographic areas for development projects. In its work on identifying suitable geographic areas, Offentliga Hus may obtain information from third parties pertaining to detailed development plan processes and future land use, which the Issuer will use as a basis for investment and project decisions. This information may prove to be incorrect, and municipalities or decision-makers may deviate from the information, which over the long-term could mean that Offentliga Hus carries out projects at unfavourable geographic locations.

Major projects could entail significant investments, which could lead to increased credit risk if tenants fail to fulfil their obligations and could have a negative impact on the Issuer's financial condition in the event the risk materialises.

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

#### ***The Group's rental income may decrease or fail to materialise***

Rental income constitutes the primary continuous income of Offentliga Hus, and totalled SEK 320 million during the financial year 2019. Rental income shall cover operating and maintenance costs as well as capital and administration costs. If tenants do not pay their rent on time, or at all, or otherwise do not fulfil their obligations in accordance with lease agreements in effect, this could lead to rental income decreasing or failing to materialise at all.

One common cause of reduced rental income is an increase in the vacancy rate. The vacancy rate could increase by tenants moving out and by the premises not being possible to lease to new tenants immediately or within a certain period of time. A long-term downturn in the business cycle could lead to an increased vacancy rate, which could result in rental income decreasing or failing to materialise at all.

The risk of fluctuations in the vacancy rate increases with the prevalence of more individual large tenants. The ten largest tenants of Offentliga Hus corresponded to approximately 46.7 per cent of the total contracted rental income on 31 August 2020. There is a risk that the Issuer's larger tenants will not renew or extend their leases when they expire, which over the long-term could lead to reduced rental income and increased vacancies. If the larger tenants encounter financial difficulties or are otherwise unable to fulfil their obligations under any contract, this could result in significant consequences for Offentliga Hus, as the Issuer's rental income would be substantially lower than estimated. If the tenant of the Issuer's largest lease, for example, does not renew its lease and a vacancy thereby arises in such premise, the Issuer's rental income based on the Issuer's current earning capacity as of 31 August 2020 would decrease by approximately SEK 21 million per year.

The leases that have been signed with the Group's ten largest tenants have varying durations. Since the Group is primarily oriented on properties that have tenants in the public sector, rental income and the vacancy rate depend, for example, on municipal budgets, trends in the municipal sector and the general political development in Sweden. The latter example can be concretised as a risk for the Swedish state or the municipalities in one or several cases being unwilling to divest state or municipal assets to the private sector or by generally carry out privatisations in the property industry. The political development

could also result in the Swedish state deciding to reduce or fully recall state financing of existing government authorities that are tenants of Offentliga Hus, or that the state or municipality itself chooses to develop new properties for use in the public sector, which could lead to reduced rental income or an increased vacancy rate for the Issuer.

There is also a risk that leases linked to newly acquired properties are short-term leases requiring Offentliga Hus or another company in the Group to routinely renegotiate, renew or extend the terms of the agreement. If such negotiations do not lead to an extension of the leases, there is a risk that the Group's vacancy rate will increase and that rental income for the Group will decrease. Risks of this kind will be particularly large in times when Offentliga Hus is planning to carry out a large number of property acquisitions.

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

***The Issuer is subject to risks related to maintenance, repairs, damage and defects in properties***

All properties owned by the Group will require repairs and maintenance to varying extents in the future after the existing lease has expired or for other reasons. Regular property maintenance is necessary to maintain the market value and rent levels in the Group's property portfolio. However, the scope of necessary maintenance and repair work could increase, for example, owing to changed energy efficiency regulations or as a consequence of damage caused by tenants or other parties. Moreover, maintenance costs could increase as a result of inflation, and the Group's repair costs and investments in modernisation could increase more than the Group anticipates. If some maintenance needs are not noticed in time or if the level of maintenance is insufficient, this could lead to lower property values for these properties and the Group may also need to lower the rent levels for such properties.

Operating in the property industry also entails technical risks. Technical risks refer to the risks associated with the technical operation of properties, such as the risk of construction defects, other hidden defects or deficiencies, damages (through, for example, fire, other forces of nature or tenants) and contamination. If technical problems arise, this could lead to a significant cost increase for the Group. If the Group's costs increase owing to technical damage, this could lead to reduced rental income and/or lost opportunities for growth.

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

***The Issuer could fail to retain and recruit qualified personnel and senior executives***

Attracting, motivating and retaining qualified personnel and senior executives is crucial to the Group's success, future business and business plan. The Group is especially dependent on the knowledge, experience and commitment that management possesses. To attract, motivate and retain certain key employees, the Group may need to increase remuneration to these individuals, with increased costs as a result. If the Group cannot attract and retain qualified personnel in the future, this could have a negative material effect on the Group's prospects.

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

***The Group operates in a competitive market***

The Group operates in the property industry, which is marked by significant competition, including from companies specialising in Community Service Properties, such as Samhällsbyggnadsbolaget i Norden AB (publ), Hemsö Fastighets AB and Vacse AB (publ) etcetera. The Group's competitiveness is, *inter alia*, dependent on such factors as its ability to acquire interesting properties in attractive locations, attracting and retaining tenants, anticipating changes and trends in the industry and rapidly adapting to, for example, current and future market needs. Additionally, the Group competes for tenants through, for example, property locations, rents, size, accessibility, quality, tenant satisfaction, comfort and the Group's reputation.

The competitors could have more financial resources than the Group and a better capacity to withstand downturns in the market, better access to potential objects of acquisition, could compete more efficiently and be more capable of retaining competent personnel and reacting more quickly to changes in the local markets. Additionally, competitors could have a higher tolerance for lower yield requirements and more efficient technology platforms. Moreover, the Group may need to incur additional investment costs to keep its properties competitive in relation to competitors' properties. If the Group cannot successfully compete, it could have a material impact on rental levels and vacancy rates, and the Group's revenue could decrease.

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

#### **Unsuccessful IPO**

As announced in a press release issued on 1 October 2020, the Issuer intends to initiate an initial public offering of the shares in the Issuer after which such shares would be admitted to trading on Nasdaq First North Premier Growth Market (the "IPO").

Upon an unsuccessful IPO, the Issuer will not receive equity from the newly issued shares expected to be issued in relation to the IPO, which may have an adverse effect on the Groups' financial condition.

Furthermore, an unsuccessful IPO may have a negative effect on the reputation of the Issuer since future potential investors or customer may perceive the operations of the Issuer negatively, which in turn may have a negative impact on the Group's earnings and financial condition.

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

#### **Legal and regulatory risk**

##### ***The Group may be unsuccessful in complying with regulations and be involved in legal and administrative proceedings***

The Group must comply with the demands in a number of codes, laws and regulations including detailed development plan regulations, construction standards, safety ordinances and so on. The Group's operations is regulated by, *inter alia*, the Swedish Land Code (1970:994), the Swedish Environmental Code (1998:808) and the Swedish Planning and Construction Act (2010:900). In addition to requirements for removing existing environmental contamination, any failure to comply with the Environmental Code could lead to environmental sanction fees totalling at least SEK 1,000 and at most SEK 1 million per violation, whilst a violation of the Planning and Construction Act could lead to a prohibition on construction or use for any of the Group's properties, imposition of fees or requirements

for the removal of any new construction, and additions and changes to existing construction made as part of a tenant driven investment carried out without the necessary permits. New laws and provisions, or a change in the application of current laws and provisions that the Group must take into account in its operations, or that impact tenants' operations, could have a negative effect on the Group's operations, financial condition, operating profit and future prospects. There is also a risk that the Group's interpretation of applicable laws and regulations is incorrect, or that the customary interpretation of these laws changes in the future, which could lead to the Group incurring increased costs or risking substantial fines or penalties.

The Group also risks being involved in legal or administrative proceedings, which could pertain to comprehensive damage claims or other claims for payments. There are inherent difficulties in predicting the outcome of legal, administrative and other proceedings or claims. If the outcome of any such future proceedings is unfavourable to the Group, this could have a negative material impact on the Group's financial condition and operating profit.

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

#### ***The Group's tax situation could worsen***

The Issuer conducts operations in Sweden through a number of subsidiaries. For the tax year 2019, the Group's tax expenses totalled SEK 17 million in income tax. Management of tax issues in the Group is based on interpretations of applicable, relevant, tax legislation, tax agreements and other tax regulations, as well as standpoints from the Swedish Tax Agency. Moreover, the Group routinely obtains advice from independent tax experts on these issues. The Issuer and its subsidiaries are occasionally subject to tax audits and reviews. There is a risk that tax audits or reviews will result in additional taxes being charged, for example with regard to previously completed acquisitions, mergers, divisions and reorganisations of companies, share transactions with employees, deductions for interest expenses and deductions for leasehold improvements.

The Group's previous and current handling of tax issues could be questioned if the Group's interpretation of tax legislation, tax agreements and other tax regulations or of their applicability is incorrect, if one or more government authorities successfully implement negative tax adjustments pertaining to a business unit in the Group or if laws, agreements and regulations in effect or interpretations thereof or administrative praxis in relation to these change, including retroactive changes. If tax authorities successfully invoke such claims, this could lead to an increased tax expense including tax surcharges and interest and have a negative material effect on the Group's operating profit.

On 14 June 2018, the Swedish parliament adopted new and adjusted tax legislation pertaining to the limitation of interest rate deductions in the corporate sector. The effects of the legislation include, *inter alia*, limiting deductions for negative net interest income to 30 per cent of taxable EBITDA. The regulations entered force on 1 January 2019 and were first applied to tax years beginning after 31 December 2018. If, after the legislation based on the government's recommendations become applicable, the negative interest income of the Issuer and its subsidiaries constitute a significant portion in relation to the taxable EBITDA of the operations, or if any other further limitation to the right of deduction is introduced in Sweden, this could lead to an increased tax expense and have a negative material effect on the Group's operating profit.

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

### **Environmental and social risks**

#### ***The Group's reputation could be damaged***

The Group depends on its reputation, especially in relation to new and existing shareholders and other investors, as well as in relation to new and existing tenants. As an example, technical problems, maintenance problems, unfavourable reporting or failures attributable to the Group's sustainability profile could damage the Group's reputation, which, for example, could entail difficulties in retaining existing tenants or attracting new tenants. In addition, the Group could be negatively represented in the media, with a limited ability for the Group to anticipate or respond to this, which makes it more difficult to take care of a damaged reputation. If the reputation of Offentliga Hus is damaged, it could lead to a loss of rental income and a loss of opportunities for growth and it could also affect the Issuer's possibilities of raising financing on favourable terms or at all, which could have to a negative impact on the Issuer's financial condition.

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

#### ***The Group's business is exposed to environmental risks***

The Group's business in property management and property development entails environmental risks and the Group is subject to environmental provisions that mean that claims could be imposed on the Group in the event of non-compliance. Even if the Group conducts inspections in connection with the acquisition of individual properties, there is a risk that the previous owners did not comply with the environmental provisions or that any previous property owners or proprietors were the cause of the contamination. Under the currently applicable environmental legislation in the jurisdictions where the Group is established, the one conducting businesses that contributed to contaminating a property also have a responsibility for remediation. If the proprietor is unable to carry out or pay for remediation of a property, the party that acquired the property and was aware of or should have discovered the contamination at the time of acquisition can be held responsible. This means that, under certain circumstances, the Group can be ordered to restore a property to a condition that meets the requirements of the relevant environmental legislation. A restoration of this kind could encompass remediation of a contamination of land, catchment areas or groundwater. The Group's costs for investigation and taking actions such as removing or restoring land in accordance with applicable environmental legislation could be significant. Such orders could therefore negatively impact the Group's earnings, reputation, cash flows and financial condition. Any future amendments to laws, provisions and requirements from government authorities in the environmental arena could lead to increased costs for the Group pertaining to remediation of properties that the Group currently owns or could acquire in future. Changes of this kind could also result in increased costs or delays for the Group in carrying out development projects.

The Group is subject to regulation in areas such as work environment including safety related issues, managing asbestos and asbestos removal, and laws and ordinances regulating emissions of greenhouse gases, including energy and electricity consumption. These regulations could change, and additional regulations could be added. Non-compliance with these laws and regulations could result in the Group

being compelled to pay fees, fines or be subjected to enforcement actions. In some cases, the Group could have restrictions – sometimes tangible ones – imposed on its business.

Moreover, contaminants that require action could be discovered on properties and in buildings, particularly during tenant driven investment processes or when buildings are being upgraded for environmental certification. The discovery of contaminants or residual contaminants in connection with the lease or sale of a property could trigger claims for rent reductions, damages or cancellation of leases. Actions to remove such contaminants or to take care of such contaminants may be required as part of the Group's ongoing business and, depending on the scope of the contaminant, could result in significant costs and have a negative material impact on the Group's operating profit.

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

## **RISKS RELATING TO THE BONDS**

### ***Unsecured obligations and structural subordination***

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

The Group has, as part of its financing, incurred debts to credit institutions and other lenders, and security over *e.g.* property owning Group companies and certain properties in form of share pledges and pledges over mortgage certificates has been provided in relation thereto. Such secured loans normally constitute a preferential claim on the relevant Group company. Subject to the provisions set out in the Terms and Conditions, the Issuer or any Group company may seek further financing in which case further pledges, as part of such new loans, may be provided. In addition, the Issuer may retain, provide or renew security over certain of its current or future assets to secure, *inter alia*, bank loans, either via the Issuer itself or any other Group company, with security interests normally constituting a preferential claim on the borrower. No present or future shareholder or subsidiary of the Issuer will guarantee the Issuer's obligations under the Bonds.

Furthermore, the Terms and Conditions allow the Group to incur certain additional debt. If the Issuer's subsidiaries incur debt, the right to payment under the Bonds will be structurally subordinated to the right of payment relating to debt incurred by subsidiaries of the Issuer, which could have a negative impact on the Bondholders' recovery under the Bonds.

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

### ***Dependency on subsidiaries and associated entities***

A significant part of the Issuer's assets and revenues relate to the Issuer's subsidiaries and associated entities (Sw. *intressebolag*). The Issuer holds few significant assets other than direct and indirect investments in its subsidiaries and associated entities. Accordingly, the Issuer is dependent upon receipt



of sufficient income related to the operation of and the ownership in such subsidiaries and entities within the Group in order to meet its own obligations.

The subsidiaries and associated entities of the Issuer are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments or to make funds available for such payments. The ability of the Issuer's subsidiaries and associated entities to make such payments to the Issuer is subject to, among other things, the availability of funds. In addition, subsidiaries and associated entities are permitted under certain circumstances, in accordance with its financial arrangement, to obtain or maintain external financing and to secure their obligations under such arrangements. Should a default under such external financing occur, this would affect the subsidiaries' or the associated entities' financial ability and possibility to fund the Issuer. Furthermore, agreements entered into by the Issuer's subsidiaries or associated entities may contain provisions relating to restrictions on distributions and thus, restricting such companies in paying dividend on the shares held by the Issuer.

Consequently, should the value of the business conducted in the subsidiaries and/or associated entities decrease, or should the Issuer not receive sufficient income from such companies, this could have a material adverse effect on the Group's earnings and financial position.

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

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

The Issuer intends to use the proceeds of the issue of the Bonds and any Subsequent Bonds in accordance with the Issuer's green finance framework (the "**Green Finance Framework**") in force as at the relevant Issue Date, and which is based on the Green Bond Principles issued by the International Capital Markets Association. As there is currently no clear definition of as to what constitutes, a "green" or an equivalently-labelled project, there is a risk that any projects, asset or uses defined in the Green Finance Framework will not meet current or future investor expectations regarding such "green" or other equivalently-labelled performance objectives. Furthermore, future developments or legal requirements as to the definitions of "green", such as the entering into force of unified classification systems in relation to sustainability adopted by the European Union, render the eligible projects for the Bonds, as described in the Green Finance Framework, obsolete. This could lead to present or future investor expectations or requirements as regards any investment criteria or guidelines whether according to applicable law or regulations or by such investor's own by-laws, governing rules or investment portfolio mandates cannot be satisfied.

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

The Issuer has appointed CICERO Center for International Climate Research ("**CICERO**") for an independent, research-based evaluation of the Issuer's Green Finance Framework to which has resulted in a second opinion dated 3 September 2019 (the "**Second Opinion**"). CICERO is neither responsible for how the Green Finance Framework is implemented and followed up by investors, authorities (as applicable) or other stakeholders, nor is CICERO responsible for the outcome of the investments

described in the Green Finance Framework. There is a risk that the suitability or reliability of the Second Opinion is challenged by the Issuer, a potential investor, the Bondholder, or any third party. Furthermore, CICERO is currently not subject to any regulatory regime or oversight and there is a risk that such providers will be deemed as not being reliable or objective in the future.

As the market conditions for green bonds is rapidly changing, there is a risk that current or future investor expectations will not be met which could negatively affect the secondary trading of the Bonds. This could lead to Bondholder being unable to trade its Bonds at attractive terms, or at all, or that any possession of Bonds is connected to reputation damage.

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

# RESPONSIBLE FOR THE INFORMATION IN THE PROSPECTUS

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The Company has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Bonds and the performance of its obligations relating thereto. The issuance of the Initial Bonds on 12 October 2020 was authorised by resolutions taken by the board of directors of the Company on 30 September 2020.

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

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

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

Stockholm on 23 November 2020

Offentliga Hus i Norden AB (publ)

*The board of directors*

## THE BONDS IN BRIEF

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

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

### General

Issuer .....	Offentliga Hus i Norden AB (publ) (reg. no. 556824-2696).
Resolutions, authorisations and approvals .....	The Company's board of directors resolved to issue the Bonds on 30 September 2020.
The Bonds offered .....	Up to SEK 1,000,000,000 in an aggregate principal amount of senior unsecured callable floating rate green bonds due 12 April 2024. As at the date of this Prospectus, SEK 550,000,000 of the Bonds have been issued.
Nature of the Bonds .....	The Bonds constitute debt instruments ( <i>Sw. skuldförbindelser</i> ), each of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act.
Number of Bonds .....	Maximum 800.
ISIN .....	SE0014965919.
First Issue Date .....	12 October 2020.
Price .....	All bonds issued on the First Issue Date have been issued at an issue price of 100 per cent. of the Nominal Amount.
Interest Rate .....	Interest on the Bonds is paid at a floating rate of STIBOR (3 months) + 3.15 per cent. <i>per annum</i> , provided that if the Interest Rate is less than zero, it shall be deemed to be zero.
Interest Payment Dates .....	Quarterly in arrears on 12 January, 12 April, 12 July and 12 October each year, commencing on 12 January 2021. Interest will accrue from, but excluding, the First Issue Date.
Final Redemption Date .....	12 April 2024.

Initial Nominal Amount .....	The Bonds have a nominal amount of SEK 1,250,000 and the minimum permissible investment upon issuance of the Initial Bonds is SEK 1,250,000.
Denomination .....	The Bonds are denominated in SEK.
Status of the Bonds .....	The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them, except for obligations mandatorily preferred by law applying to companies generally.
Use of Proceeds .....	The Issuer shall use an amount equivalent to the Net Proceeds from the Initial Bond Issue in accordance with the Green Finance Framework and for repurchase and redemption in full of the Existing Bonds (as defined in the Terms and Conditions). An amount equivalent to the Net Proceeds of any Subsequent Bond shall be used in accordance with the Issuer's Green Finance Framework.
Call Option Amount .....	<p>Call Option Amount means:</p> <ul style="list-style-type: none"> <li>• 101.26 per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but not including) the date falling 30 months after the First Issue Date;</li> <li>• 100.63 per cent. per cent. of the Nominal Amount if the call option is exercised on or after the date falling 30 months after the First Issue Date up to (but not including) the date falling 36 months after the First Issue Date;</li> <li>• unless the paragraph below applies, 100.315 per cent. of the Nominal Amount if the call option is exercised on or after the date falling 36 months after the First Issue Date up to (but not including) the Final Redemption Date; or</li> <li>• 100.00 per cent. of the Nominal Amount if the call option is exercised on or after the date falling 36 months after the First Issue Date up to (but not including) the Final Redemption Date, provided that such early redemption is financed in full or in</li> </ul>

part by way of the Issuer issuing Market Loan(s) (as defined in the Terms and Conditions).

### **Call Option**

Call Option ..... The Issuer has, subject to refinancing the Bond with a new market loan, the right to redeem all, but not some only, of the Bonds in full on any Business Day falling on or after the date falling 24 months after the First Issue Date up to (but excluding) the Final Redemption Date at, a price equal to the applicable Call Option Amount together with accrued but unpaid interest, in accordance with Clause 11.3 (*Early voluntary redemption by the Issuer (call option)*) of the Terms and Conditions.

### **Put Option**

Put Option..... Upon a Change of Control, De-listing or Listing Failure occurring, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price of 101 per cent. of the Nominal Amount together with accrued but unpaid interest, during a period of thirty (30) calendar days following the notice from the Issuer of the Change of Control, De-listing or Listing Failure (as applicable), in accordance with Clause 11.4 (*Mandatory repurchase due to a Change of Control, a De-listing or Listing Failure (put option)*) of the Terms and Conditions.

Change of Control ..... A Change of Control means the occurrence of an event or series of events whereby one or more Persons (other than a Main Shareholder) acting together, acquire control over the Issuer and where “control” means (i) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the votes of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

De-listing..... Either:  
a) following an initial public offering of the common shares of the Issuer or another Group Company, a situation where: (i) the shares of that Group Company listed on the relevant Regulated Market or recognised unregulated market place cease to be listed on such

market; or (ii) trading of the Group Company's listed ordinary shares on the aforementioned stock exchange(s) is suspended for a period of 15 consecutive Business Days; or

(b) once the Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market, that the Bonds are no longer admitted to trading or listed thereon (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market, as applicable, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).

Listing Failure .....

The situation where the Initial Bonds have not been listed on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the First Issue Date or where any Subsequent Bonds have not been listed on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the Issue Date in respect of such Subsequent Bonds.

## **Covenants**

Certain undertakings.....

The Terms and Conditions contain a number of undertakings that restrict the ability of the Issuer and other Group Companies, including, among others:

- restrictions on making certain distributions;
- the Issuer shall ensure that the Initial Bonds are admitted to trading within six (6) months after the First Issue Date;
- restrictions in relation to incurring Market Loans and providing security for Market Loans;
- obligation to meet the Maintenance Test,
- restrictions on making any material changes to the general nature of the business carried on by the Group;
- obligation to keep the Group's Properties in a good state of repair and maintenance subject to normal wear and tear and in accordance with normal market practice;
- obligation to procure certain Property valuations;

- obligation to conduct dealings with related parties on arm's length terms; and
- restrictions on the disposal of assets and mergers.

Each of these covenants is subject to significant exceptions and qualifications. See the Terms and Conditions of the Bonds.

**Miscellaneous**

Transfer restrictions.....	The Bonds are freely transferable. The Holders may be subject to purchase or transfer restrictions with regard to the Bonds under local laws to which a Holder may be subject. The Bonds have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction other than Sweden, where action for that purpose is required.
Admission to trading .....	Application for admission to trading of the Bonds on the sustainable bond list of Nasdaq Stockholm will be filed in immediate connection with the SFSA's approval of this Prospectus. Additional Subsequent Bonds may be admitted to trading as a result of a Subsequent Bond Issue and following the approval of a new prospectus. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 25 November 2020. The total expenses of the admission to trading of the Initial Bonds are estimated to amount to approximately SEK 100,000.
Agent .....	Initially Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.
Governing law of the Bonds.....	Swedish law.
Time-bar .....	The right to receive repayment of the principal of the Bonds shall be time-barred and become void 10 years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred and become void three (3) years from the relevant due date for payment.
Risk factors.....	Investing in the Bonds involves substantial risks and prospective investors should refer to Section <i>Risk Factors</i> for a discussion of certain factors that they should carefully consider before deciding to invest in the Bonds.





# DESCRIPTION OF THE COMPANY AND THE GROUP

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## History and development of the Company

Offentliga Hus was formed in 2011. The Company is a public limited liability company registered in Sweden and is governed by Swedish law including, but not limited to, the Swedish Companies Act and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

### Overview of the Company

<i>Legal form</i>	Public limited liability company
<i>Corporate registration number</i>	556824-2696
<i>LEI-code</i>	549300DW54NOXRJXTR48
<i>Incorporated</i>	On 8 November 2010
<i>Head office</i>	Municipality of Stockholm
<i>Address</i>	Linnégatan 2, SE-114 47 Stockholm, Sweden
<i>Visitors address</i>	Linnégatan 2, SE-114 47 Stockholm, Sweden
<i>Phone number</i>	+46 (0) 8 660 67 00
<i>Website</i>	www.offentligahus.se (the information provided at the Issuer's website does not constitute part of this Prospectus unless explicitly incorporated by reference)
<i>Company/trade name</i>	Offentliga Hus i Norden AB (publ) (registered on 31 October 2017)
<i>Operational objective</i>	The company shall manage and acquire real estate and carry out related activities.

### Overview of the Group

Offentliga Hus is a real estate company and the Group's operations is focused on owning and managing community service properties. The rental income is primarily derived from public sector operators with long-term lease agreements. As a parent company of the Group, the Company's business focus is primarily on owning and managing the Group's properties which are owned through the Company's directly and indirectly owned subsidiaries.

Since Offentliga Hus's operations are mainly carried out through its subsidiaries, Offentliga Hus is dependent on its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.

### Organisational structure

The Issuer is the parent company of the Group, consisting of several operating companies set out in the tables below. The table below exhibits the Company's, directly or indirectly, wholly owned subsidiaries as of 31 December 2019.

Offentliga Hus is the parent company of 73 directly or indirectly owned subsidiaries, as listed below.

COMPANY, CORPORATE REGISTRATION NUMBER, REGISTERED OFFICE	NUMBER OF SHARES	PARTICIPATIONS (%)
<b>Offentliga Hus i Norden AB (publ), 556824-2696, Stockholm</b>	5,000	100
OH Bunge AB, 556872-0964, Stockholm	500	100
OH Lödöse AB, 556852-1560, Stockholm	1,000	100
Lödösehus 3 KB, 916896-0210, Stockholm	-	100
Lödösehus 4 KB, 916896-0228, Stockholm	-	100
Limestone Fastigheter på Gotland AB, 556741-2746, Stockholm	100,000	100
OH Fyllinge AB, 556435-6102, Stockholm	1,000	100
AB Trygghetsboendet 1 i Värmland, 556876-2537, Stockholm	500	100
OH Årjäng AB, 556892-6041, Stockholm	50,000	100
OH Landskrona Fastigheter AB, 556872-0956, Stockholm	500	100
OH Bagg AB, 556981-3974, Stockholm	500	100
OH Borås AB, 556982-9632, Stockholm	500	100
KB Fastigheten Liljedal 11, 969622-2760, Borås	-	100
KB Fjolner 21, 969621-9501, Ulricehamn	-	100
KB Grönfinken 1, 969621-5954, Borås	-	100
OH Nya Torg AB, 556981-3982, Stockholm	500	100
OH Karlsvik AB, 556983-1349, Stockholm	500	100
OH SPV 02 AB, 559240-0997, Stockholm	1,000	100
OH Träffpunkten AB, 556993-3418, Stockholm	1,000	100
OH Jungfrun 3 AB, 556993-3434, Stockholm	1,000	100
OH Jungfrun 2 AB, 559004-1785, Stockholm	1,000	100
OH Hallsta AB, 559004-1702, Stockholm	1,000	100
OH Tynnered AB, 559075-5129, Stockholm	1,000	100
OH Höör AB, 559075-5137, Stockholm	1,000	100
OH Kiruna AB, 559090-0055, Stockholm	50,000	100
OH Karesuando AB, 559089-7905, Stockholm	50,000	100
OH Ackjan 1 AB, 559089-7913, Stockholm	50,000	100
OH Jokkmokk AB, 559089-7921, Stockholm	50,000	100
OH Storuman AB, 559089-7939, Stockholm	50,000	100
OHNYAB 24 AB, 559089-7947, Stockholm	50,000	100
OHNYAB 25 AB, 559089-7954, Stockholm	50,000	100
OH Havsbadshotellet 1 AB, 559089-7962, Stockholm	50,000	100
OH Rosenknoppen AB, 559089-7970, Stockholm	50,000	100
Offentliga Hus Holding 1 AB, 559087-6628, Stockholm	50,000	100
OH Saturnus 14 i Borås AB, 559153-7492, Stockholm	500	100
OH Norrtälje AB, 556961, Stockholm	50,000	100
OH Norrtälje Älmsta AB, 556832-3090, Stockholm	500	100
OHNYAB 39 AB, 559225-7298, Stockholm	1,000	100
OH Torpeden 8 i Södertälje KB, 916507-0542, Stockholm	-	100
OHNYAB 30 AB, 559082-7811, Stockholm	50,000	100
OH Rättvik Sjukhemmet AB, 556678-2453, Stockholm	10,000	100
OH Nynäs AB, 556887-6626, Stockholm	1,000	100
OH Västervik AB, 556903-1015, Stockholm	1,000	100
OHNYAB 35 AB, 559169-8542, Stockholm	50,000	100
OH Orsa Fridhem KB, 969676-4464, Stockholm	-	100
OH Leksand Sjukstugan KB, 969676-4456, Stockholm	-	100
OH Väg Nord AB, 559122-7599, Stockholm	500	100

COMPANY, CORPORATE REGISTRATION NUMBER, REGISTERED OFFICE	NUMBER OF SHARES	PARTICIPATIONS (%)
OH Väg Syd AB, 559102-9789, Stockholm	1,000	100
OH Västberga AB, 556760-9465, Stockholm	100,000	100
OH Iris AB, 559033-4339, Stockholm	500	100
OH Skåne AB, 559163-0198, Stockholm	500	100
OHNYAB 38 AB, 559225-7280, Stockholm	1,000	100
OH Västervik Lindö AB, 556781-0543, Stockholm	1,000	100
OH Strängnäs Eldsund AB, 556679-4839, Stockholm	10,000	100
OH Strängnäs Idun AB, 559132-9692, Stockholm	50,000	100
OH P20 AB, 556910-5496, Stockholm	150,000	100
OH Fastlandet 2:60 Fastighets AB, 559236-5182, Stockholm	250	100
OH P19 AB, 559176-1449, Stockholm	50,000	100
OH SPV 03 AB, 559240-1003, Stockholm	1,000	100
OH Getängsvägen AB, 556951-5355, Stockholm	121,612	100
OH Koljan 9 i Halmstad AB, 556792-9715, Stockholm	1,000	100
OH Andelsägare i Halmstad AB, 556749-6228, Stockholm	1,000	100
OH Österskans 2 i Halmstad HB, 916553-7540, Stockholm	-	100
OH Vulkanus 15 I Borås AB, 559007-6047, Stockholm	50,000	100
OH Uranus 2 i Borås AB, 556726-7819, Stockholm	1,000	100
OH SPV 04 AB, 559240-0930, Stockholm	1,000	100
OH Halmstad 6:48, 556715-7481 i Halmstad AB, Stockholm	1,000	100
OH SPV 01 AB, 559240-0989, Stockholm	1,000	100
OH Solrosen 9 AB, 556771-8639, Simrishamn	1,000	100
OH Solrosen 19 AB, 556793-9649, Simrishamn	1,000	100
OH Solrosen 20 AB, 556793-9656, Simrishamn	1,000	100
NSH Holding AB, 559017-4073, Stockholm	1,000	100
OH Hedemora AB, 559087-6719, Stockholm	50,000	100
OH Vinstra KB, 969676-4340, Stockholm	-	100
OHIN Service AB, 559229-6759, Stockholm	50,000	100
Biohuset Visby AB, 559169-9136, Stockholm	500	100

## Business operations

### *Business concept and operations*

The Group is operational within the real estate industry. The Company's business concept consists of acquiring and refining local environments and properties, with the aim of achieving long-term, stable development in municipalities. The Company focuses on properties with public sector tenants and ideally with longer rental agreements. The Company undertakes acquisitions for long-term ownership.

The Group consists of property owning companies and as of 31 August 2020, the Group's property portfolio consisted of 141 Properties with a combined total rentable space of approximately 518,000 m<sup>2</sup>.<sup>2</sup> The properties are located in 72 out of 290 Swedish municipalities. The Company's property portfolio consists of, *inter alia*, retirement homes, schools, county council buildings, student flats, healthcare centres, residential care homes, day centres, theatres, etc. As of 30 August 2020, the Group's

<sup>2</sup> The information is derived from the Company's unaudited interim report for the period ended 31 August 2020.

total property value amounted to around SEK 8,600 million.<sup>3</sup> A vast majority of the Group’s tenants consisted of publicly financed operations and the average lease term was 4.8 years. The Company actively works with digitalisation and CSR.

#### *Business strategy and sustainability*

The Company aims to be the top of mind partner and landlord for municipalities, county councils and The Swedish government and to have a stable cash flow from low credit risk tenants. In order to maintain high retention rates and increase the profits over time, the Company is focusing on providing a high service level to the tenants as well as focusing on controlling/lowering financial and property related costs.

Offentliga Hus is focusing on long term and active ownership and to provide reliable premises for community service tenants in densely populated areas on Sweden. Public services need to be operated in a long-term and sustainable manner and Offentliga Hus is committed towards evolving its sustainability work and to make energy efficiency improvements and will continuously find clever ways of being more resource intelligent.

In conjunction with the issue by the Company in September 2019 of SEK 500 million senior unsecured callable floating rate green bonds 2019/2023 (the “**Green Bond Issue**”), Offentliga Hus published a Green Finance Framework at the Company’s website, www .offentligahus.se. The initial focus of the selection of eligible projects identified in the Green Finance Framework will be on energy efficiency, verified through third party labelling, such as Leed, BREEAM or Miljöbyggnad, or, in relation to new constructions, requirements that such new constructions will have an energy consumption that is 25 per cent. lower than the national building standards, or either has or will receive an energy performance certificate of level A or B. Renovations will reduce energy consumption by at least 25 per cent.

#### **Share capital, shares and ownership structure.**

According to the articles of association, the Company’s share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000 divided into not less than 200,000,000 shares and not more than 800,000,000 shares The Company’s shares are denominated in SEK. As of the date of this Prospectus, the Company had an issued share capital of SEK 639,925.38 divided into 255,970,150 shares. Each share carries one vote and has equal rights on distribution of income and capital. The Company’s shares are traded on Nasdaq First North Premier, with trading symbol OFFHUS and ISIN SE0014829644. The table below sets out the shareholder structure of the Company as of 31 October 2020.

	SHAREHOLDER	NUMBER OF SHARES	SHARE CAPITAL (%)	VOTES (%)
1	Nordact AB	127,238,805	49.68	49.68
2	ODIN Fonder	9,650,625	3.77	3.77
3	Norron Fonder	7,240,923	2.83	2.83
4	Nordea Liv & Pension	6,079,515	2.37	2.37
5	Catella Fonder	3,700,000	1.45	1.45
6	Swedbank Försäkring	3,208,450	1.25	1.25
7	Avanza Pension	2,853,555	1.11	1.11

<sup>3</sup> The information is derived from the Company’s unaudited interim report for the period ended 31 August 2020.

	SHAREHOLDER	NUMBER OF SHARES	SHARE CAPITAL (%)	VOTES (%)
8	Evli Fonder	2,000,000	0.78	0.78
9	Håkan Roos (RoosGruppen)	1,850,000	0.72	0.72
10	Gerald Engström	1,650,000	0.64	0.64
	Total other shareholders	90,498,277	35.39	35.39
	<b>TOTAL</b>	<b>255,970,150</b>	<b>100</b>	<b>100</b>

To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Company. Having its shares traded at Nasdaq First North Premier, the Company also complies with the rules of such market place.

### Recent events

Since the end of the last financial period for which audited financial information has been published, the Group has made several acquisitions, the more material of which include: the acquisition of the properties Uranus 2 and Vulkanus 15 in Borås and Halmstad 6:48, Koljan 9, Rudan 5, Sankt Nikolaus 19, Slottet 4, Svartmunken 1 and Österskans 2 in Halmstad, for an agreed aggregate property value of around SEK 1,160 million (announced by way of press release on 9 June 2020), the acquisition of the properties Simrishamn Solrosen 9, 19 and 20 in Simrishamn for an agreed aggregate property value of SEK 182 million (announced by way of press release on 27 July 2020) and the disposal of a portfolio of 88 smaller properties for an agreed aggregate property value of SEK 350 million (announced by way of press release on 28 June 2020).

On 22 October 2020, the board of directors of the Company resolved, pursuant to the authorisation given by the extraordinary general meeting of the shareholders in the Company held on 15 September 2020, on an offering to subscribe for and purchase shares in the Company, and a subsequent listing of the shares on Nasdaq First North Premier. The offering was over-subscribed and in total, including the over-allotment option that was exercised on 23 October 2020, the proceeds of the offering amounted to approximately SEK 1,165 million before deduction of listing expenses. On 23 October 2020, the Company's shares were admitted to trading on Nasdaq First North Premier.

Except for the foregoing and the issuance of the Bonds, there have been no recent events particular to the Company, which are to a material extent relevant to the evaluation of the Company's solvency.

### Adverse changes and trend information

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report. Furthermore, except for as provided in section *Recent events* above, the issuance of the Bonds and the events made public by press release, as set out below, there have been no significant changes in the financial performance of the Group since the last financial period for which the Group has published its quarterly report.

On 1 September 2020, the Company announced that it had repurchased 7.1 per cent., corresponding to a nominal amount of SEK 50 million, of its outstanding senior unsecured floating rate bonds maturing on 15 June 2021 with ISIN SE0010023259, by way of multiple purchases in the market.

As announced by way of press release on 24 September 2020, the Company received an unconditional shareholders' contribution in an amount of SEK 300 million from its shareholders.

As announced by way of press release on 29 October 2020, the Company has been assigned the credit rating "BB" from Nordic Credit Rating.

In connection with the Bond Issue, and as announced by way of press release on 6 October 2020, the Company partially repurchased its outstanding senior unsecured floating rate bonds maturing on 15 June 2021 with ISIN SE0010023259 (the "**Redeemed Bonds**") by way of a tender offer to an amount of SEK 700 million. The tender offer was accepted by holders of existing bonds representing a total nominal amount of SEK 297 million. On 3 November 2020, all outstanding Redeemed Bonds were redeemed in full.

# BOARD OF DIRECTORS AND SENIOR MANAGEMENT

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According to the Company's articles of association, the board of directors should consist of at least three and not more than seven members. The board of directors currently consists of six board members, and no deputy board member.

The Company currently has five senior management positions, the roles as CEO, CFO, vice CEO & CFO, COO and chief property officer. The division of duties between the board of directors and the CEO follows from Swedish law and is set out in the rules of procedure for the board of directors and instructions for the CEO. The senior management consists of Fredrik Brodin as CEO, Magnus Sundell as vice CEO & CFO, Johan Bråkenhielm as COO and Terese Filipsson as chief property officer. The board of directors and the senior management may be contacted through the Company at its head office at Linnégatan 2, 114 47 Stockholm. Information regarding the members of the board of directors and the senior management, including significant commitments outside the Company, which are relevant for the Company, is set out below.

## **The board of directors of the Company**

*Björn Rosengren, chairman of the board since 2019.*

<i>Current significant commitments outside the Group:</i>	Chairman of Aktiebolaget Fastator (publ), Priority Group AB, Yump Sverige AB, Priority Strategy Stockholm-New York AB, Norsk-Svenska Handelskammarens Serviceaktiebolag, Smart Parkering Sverige AB, Italian Path AB, Point Properties AB, Smart Parkering Fastigheter Sverige AB, Smart Trademark Sverige AB, Smart Parkering Sverige Holding AB and Studentbostäder i Sverige AB. Board member of VI Invest Aktiebolag, Rosengren Italia AB, CC09 Intressenter AB, Löftet Holding AB, Cellcomb AB, Wonderboo AB, Rosengren & Rosengren Invest AB and Björn F:son Rosengren AB.
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*Carl Bildt, member of the board since 2019.*

<i>Current significant commitments outside the Group:</i>	Board member of Micro Systemation AB (publ), Aktiebolaget Fastator (publ), Bildt Global AB and Point Properties AB.
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*Magdalena Schmidt, member of the board since 2020.*

*Current significant commitments outside the Group:* Board member of Aktiebolaget MM i Stockholm, GRA Stockholm Advokat AB, Ramberg Advokater AB and Insamlingsstiftelsen Skiers Left - Mikaelas Minne.

*Mari Broman, member of the board since 2020.*

*Current significant commitments outside the Group:* Chairman of IQ Samhällsbyggnad AB and Sharing Capabilities AB. Board member of ChromoGenics AB, SERNEKE Group AB (publ) and Forserum Safety Glass AB.

*Pierre Ladow, member of the board since 2014.*

*Current significant commitments outside the Group:* Board member of OH Management AB, Nordact ABb and OHIN Service AB.

*Svante Bengtsson, member of the board since 2017.*

*Current significant commitments outside the Group:* Chairman of Vivskä AB, OH Management AB, Nordic PM AB, Industrisamhället Norden Holding AB (publ) and Point Properties Portfolio 1 AB (publ). Board member of Konkret Fastighetsutveckling i Nacka AB, Dawg Invest AB, GenovaFastator Holding AB, KONYAB 1 i Sverige AB, Fastator Venture AB, Fastator PM AB, Public Properties Europe AB, Community Service Properties Sweden AB, Hyreslägenheten i Sverige AB, Svensk Stadsutveckling AB, Pinnsvajn Fastigheter Holding AB, Fastator Li3rty AB, Svenska Kulturskatter AB, Hyresrätten Fastigheter Sverige AB and Fastator P19 AB. Board member and CEO of Nordact AB. Vice CEO of Aktiebolaget Fastator AB (publ).

## **Management of the Company**

*Fredrik Brodin, CEO since 2020.*

*Current significant commitments outside the Group:* Chairman of Raybased Holding AB (publ), BOX Bygg AB, LKF Fastigheter AB, XOB Fastighetsutveckling AB, Box Bygg

Fastighetsutveckling AB, Box Holding AB, Agev Fastighetsutveckling AB, Raybased Proptech AB and Box Gruppen AB. Board member of Broville Jörsön 7:6 AB, Broville Fastigheter AB och OHNYAB 38 AB, OHNYAB 39 AB, OHNYAB 40 AB, Industrisamhället Väg 1 AB, Industrisamhället Väg 2 AB, Industrisamhället Väg 3 AB, Industrisamhället Väg 4 AB, Industrisamhället Väg 5 AB, Industrisamhället Väg 6 AB, Industrisamhället Väg 7 AB, Industrisamhället Väg 8 AB, NV Samhällsfastigheter AB, Fastighets AB Lycksele Renhållaren 1, Fastighets AB Vingåker Brene 1:5, Fastighets AB Junsele-Krånge 3:57, Fastighets AB Krokombredbyn 2:46, Fastighets AB Storsele 1:28 and Rohan Ekonomisk förening. Owner of Oy Broville AB through its parent company Broville Holding AB.

*Magnus Sundell, CFO and vice CEO since 2020.*

*Current significant commitments outside the Group:* Board member of CJM Sundell AB.

*Johan Bråkenhielm, COO since 2020.*

*Current significant commitments outside the Group:* Board member of MBBJ Invest AB.

*Terese Filipsson, chief property officer 2020.*

*Current significant commitments outside the Group:* N/A

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

As of the date of this Prospectus, Björn Rosengren holds 3,000,000, and Svante Bengtsson holds 2,000,000, synthetic options in the Company, Fredrik Brodin holds 7,264,000 subscription warrants and 1,369,500 shares in the Company, Magnus Sundell holds 4,428,000 subscription warrants and 403,100 shares in the Company, Johan Bråkenhielm holds 4,428,000 subscription warrants and 448,731 shares in the Company and Terese Filipsson holds 400,000 subscription warrants and 12,000 shares in the Company. Thus, they have personal economic interests in the Company.

Although there are currently no conflicts of interest, 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, and the Company.

# FINANCIAL INFORMATION

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## Historical financial information

The Company's annual reports for the financial years ended on 31 December 2019 and 2018 have been incorporated in this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus.

The financial information for the financial years ended on 31 December 2019 and 2018 have been prepared in accordance with the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*), the Complementary Accounting Standards for Groups issued by the Swedish Council for Financial Reporting (Sw. *RFR 1 Kompletterande redovisningsregler för koncerner*), the International Financial Reporting Standards ("IFRS") as well as the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union.

The Company's annual reports for the financial years ended on 31 December 2019 and 2018 have been audited by the Company's auditor. Other than the auditing of the Company's annual report for the financial ended on 31 December 2019 and for the financial year ended on 31 December 2018, the Company's auditor has not audited or reviewed any other parts of this Prospectus.

Information in the documents below, which has not been incorporated by reference, is either deemed by the Company no to be relevant for investors in the Bonds or is covered elsewhere in the Prospectus.

The following information in the Company's consolidated annual report for the financial year ended on 31 December 2019 is incorporated in this Prospectus by reference. For particular financial figures, please refer to the pages set out below.

Reference	Pages	Reference	Pages
Group's consolidated income statement	38	Parent company's income statement	42
Group's consolidated statement of comprehensive income	38	Parent company's statement of comprehensive income	42
Group's consolidated balance sheet	39	Parent company's balance sheet	43
Group's consolidated changes in equity	40	Parent company's changes in equity	44
Group's consolidated cash flow statement	41	Parent company's cash flow statement	45
Notes	46–64		
Independent auditor's report	67–69		

The following information in the Company's consolidated annual report for the financial year ended on 31 December 2018 is incorporated in this Prospectus by reference. For particular financial figures, please refer to the pages set out below.

<b>Reference</b>	<b>Pages</b>	<b>Reference</b>	<b>Pages</b>
Group's consolidated income statement	6	Parent company's income statement	10
Group's consolidated statement of comprehensive income	6	Parent company's statement of comprehensive income	10
Group's consolidated balance sheet	7	Parent company's balance sheet	11
Group's consolidated changes in equity	8	Parent company's changes in equity	12
Group's consolidated cash flow statement	9	Parent company's cash flow statement	13
Notes	14–33		
Independent auditor's report	35–37		

### **Auditing of the annual historical financial information**

The Company's annual reports for the financial years ended 31 December 2019 and 2018 have been audited by Öhrlings PricewaterhouseCoopers AB, with Magnus Thorling as the auditor in charge. Öhrlings PricewaterhouseCoopers AB has been the Company's auditor since 2012 and is a member of FAR. The office address of Öhrlings PricewaterhouseCoopers AB is Torsgatan 21, SE-113 97, Stockholm, Sweden. At the latest annual general meeting, Öhrlings PricewaterhouseCoopers AB was re-elected as the Company's auditor, with Magnus Thorling as the responsible auditor, until the next general meeting 2021. Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditor.

### **Age of the most recent financial information**

The most recent audited financial information derives from the Company's consolidated annual report for the financial year ended on 31 December 2019, which was published on the Company's website on 6 April 2020.

### **Legal and arbitration proceedings**

The Company is, from time to time involved in disputes, claims and on the receiving end of negative decisions by authorities as a part of its day-to-day operations.

The Company is currently involved in discussions with Amasten Fastighets AB (publ) ("Amasten") regarding the validity of a share purchase agreement entered into in September 2019 regarding the shares in a real property company with an agreed property value of SEK 93 million. On 8 July 2020, Amasten requested that the Company fulfil its obligations under the share purchase agreement. The Company's

is contesting the validity of the agreement on the basis of it not being entered into by an authorised official of the Company.

Except for the forgoing, the Company has not during the previous twelve months, been involved in and is not aware of, any governmental, legal or arbitration proceedings that have had or may have, significant effects on the Company's or the Group's financial position or profitability. Nor is the Company aware of any such proceedings that are pending or threatening and that could lead to the Company or any member of the Group becoming a part to such proceedings.

### **Significant changes**

Other than as the issuance of the Bonds on 12 October 2020, and as described under Sections *Recent events* and *Adverse changes and trend information*, there has been no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published.

## DESCRIPTION OF MATERIAL AGREEMENTS

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Neither the Group nor any of its associated entities, other than described below, have entered into any material agreements not in the ordinary course of its business that may affect the Company's ability to fulfil its obligations under the Bonds. The following summaries do not purport to describe all of the applicable terms and conditions of such agreements.

Other than as set out below, neither the Group, nor any of its associated entities has entered into any material agreements not in the ordinary course of its business and that may affect the Company's ability to fulfil its obligations under the Bonds.

### **Property management agreements**

On 4 September 2020, the Company entered into a property management agreement with its cooperation partner Nordic PM AB, which is valid for the period 1 July 2020 to 30 June 2023, and which is thereafter extended by one year at a time if the agreement is not terminated with a notice period of nine months. Nordic PM AB is a related party company to Offentliga Hus, 64 per cent. of its shares being held by one of the Company's major shareholders, Aktiebolaget Fastator (publ).

The property management agreement includes services within management, technical management, rent administration, operation and leasing. Offentliga Hus will select which services to be utilized for each property.

As of the date of this Prospectus, Nordic PM manage the majority of the Company's property holdings. The agreement does not encompass new additional properties. Therefore, the Company may select the property management services provider it considers most appropriate for each acquired property.

### **Lease agreements**

As of 31 August 2020, the Group has entered into approximately 400 lease agreements regarding premises, primarily public sector operations such as schools, police stations and health care facilities. Out of the Group's lease agreements with its ten largest tenants in terms of rental income, the majority are based on Fastighetsägarna's template lease agreements, which have a broad utilization in the Swedish property market. As a general rule, one or more schedules with specific provisions for the lease are attached. In case of there being a more extensive tailoring of the premises to the tenant before to the start of the leasing period, a schedule containing terms regulating the respective parties' work with the tailoring, are attached to the agreement.

According to the lease agreements there is a fixed base rent with an additional on rent component, indexed annually in accordance with changes in the Swedish Consumer Price Index (CPI). The lease agreements of the Group have varying notice periods, ranging from nine months to a couple of years. If no termination occurs, the lease agreements are extended with unchanged terms for a time period of 3 to 5 years.

In the event of the tenant itself tailors the premises it sometimes occurs that the Group pays an investment grant to the tenant as compensation for the work carried out. The Group has, *inter alia*, in relation to two lease agreements agreed to compensate Annoca AB with a sum of approximately SEK 40 million for the tenant's tailoring of its lab facilities in Södertälje. Furthermore, some of the Group's ten largest lease agreements contain provisions regarding rent reductions and investments.

The tenth largest lease agreement entered into by the Group, regarding premises for homes designed for the elderly in Leksand which is leased by Region Dalarna, has been terminated by the tenant and will be emptied as of 30 June 2021. The annual rental income (base rent) amounts to approximately SEK 7 million per annum according to the abovementioned lease agreement.

The Group has entered into a construction agreement regarding the construction of 214 student accommodations in Gothenburg. The construction is estimated to commence in the third quarter of 2020 and the accommodations to be ready to be occupied in the fourth quarter of 2022. Estimated net costs for the project is SEK 200 million. The lease agreement is entered into with SGS (Stiftelsen Göteborg Studentbostäder) and runs for 20 years.

### **Financial agreements**

The Company has entered into credit agreements as borrower, as well as a credit agreement with the subsidiaries as borrowers and the Company as lender. The loan facilities are provided by Danske Bank, Sparbanken Skåne, Westra Wermlands Sparbank, Sparbanken Nord, Handelsbanken, Nordea and Swedbank. The Company and its subsidiaries have provided security for their obligations to the benefit of the banks. The security primarily consists of pledges over the shares in the Company's subsidiaries, mortgage deeds in properties, bank account pledges and guarantees given by the Company for the fulfilment subsidiaries' obligations towards the banks. In addition, the company has entered into certain subordination commitments in relation to the credit agreements.

The total debt of the Company as of 30 June 2020 amounted to SEK 4,628 million, of which SEK 3,384 million consisted of subordinated debt and SEK 1,244 million consisted of unsecured debt. The majority of the credit agreements runs with floating interest rates and has been entered into with the banks pursuant to their respective general terms. Furthermore, the Company has a framework agreement with Danske Bank regarding trading in currencies and derivatives.

The credit agreements contains standard covenants, undertakings, financial undertakings (*inter alia*, undertakings regarding interest coverage ratio and lending quotas), information undertakings and termination grounds for the debtors and the Company, in its capacity as guarantor. Certain credit agreements contain limitations for the debtors as well as in, some cases, the Company to draw new debt, provide security, divest assets, acquire shares as well as making changes to its business. Some of the credit agreements contain so called cross-default provisions, which means that all outstanding loans as well as other obligations towards the relevant bank falls due if the debtor or another member of the Group does not fulfil its obligations or in any way breaches its undertakings or covenants under other agreements to which they are a party. In addition, some credit agreements contain negative pledge clauses, solidity clauses, change of control clauses, subordination undertakings and financial covenants.



## OTHER INFORMATION

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### Clearing and settlement

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

### Credit rating

The Company has been assigned a credit rating of BB, outlook stable (long term) from Nordic Credit Rating AS, registered with the European Securities and Markets Authority (ESMA) as a credit rating agency established in the EU under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the CRA Regulation).

### Long-term rating scale

<b>AAA</b>	'AAA' rated entities and instruments demonstrate the highest credit quality and lowest expectation of default risk.
<b>AA</b>	'AA' rated entities and instruments demonstrate very high credit quality with a very low default risk.
<b>A</b>	'A' rated entities and instruments demonstrate high credit quality with a low default risk.
<b>BBB</b>	'BBB' rated entities and instruments demonstrate medium credit quality with a moderate default risk.
<b>BB</b>	'BB' rated entities and instruments demonstrate speculative credit quality with a slightly increased default risk.
<b>B</b>	'B' rated entities and instruments demonstrate highly speculative credit quality with an increased default risk.
<b>CCC</b>	'CCC' entities and instruments demonstrate very low credit quality with a high default risk.
<b>CC</b>	'CC' rated entities and instruments demonstrate very low credit quality and an event of default is very likely.
<b>C</b>	'C' rated entities and instruments demonstrate the lowest credit quality and an event of default is imminent.
<b>D/SD</b>	'D' rated entities and instruments have defaulted, as defined by NCR. 'SD' (selective default) rated entities have only defaulted on certain debt obligations.
<b>Plus (+) and minus (-)</b>	Rating categories from 'AA' to 'B' are modified by a plus (+) or a minus (-), where required, to show their relative position within the rating category.

### Representation of the holders

Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879) is acting as agent for the holders in relation to the Bonds, and if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions.

By acquiring Bonds, each subsequent bondholder confirms such appointment and authorisation for the Agent to act on its behalf. An agency agreement was entered into between the agent and the Company on or about the First Issue Date regarding, among others, the remuneration payable to the agent. The agency agreement is available at the agent's office address (Norrandsgatan 23, SE-111 43 Stockholm, Sweden) during normal business hours. The rights and obligations of the agent are set forth in the Terms and Conditions.

#### **Documents available for inspection**

Copies of the following documents are available at the Company's head office in paper format during the validity period of this Prospectus.

- The Company's articles of association;
- The Company's certificate of registration;
- The Company's consolidated annual report for the financial year ended 31 December 2019;
- The Company's consolidated annual report for the financial year ended 31 December 2018;

The documents listed above are also available at the Company's website, [www.offentligahus.se](http://www.offentligahus.se).

#### **Interest of natural and legal persons involved in the bond issue**

The Issuing Agent and the Joint Bookrunners and/or their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Issuing Agent and the Joint Bookrunners and/or their affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests

# TERMS AND CONDITIONS FOR THE BONDS

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## TERMS AND CONDITIONS



**Offentliga Hus i Norden AB (publ)**

**Maximum SEK 1,000,000,000**

**Senior Unsecured Callable Floating Rate Green Bonds  
2020/2024**

ISIN: SE0014965919

First Issue Date: 12 October 2020

## SELLING RESTRICTIONS

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

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

## PRIVACY STATEMENT

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

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

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

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

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

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

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

# TABLE OF CONTENTS

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Clause	Page
1. DEFINITIONS AND CONSTRUCTION .....	1
2. STATUS OF THE BONDS .....	9
3. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS .....	9
4. USE OF PROCEEDS .....	10
5. CONDITIONS FOR DISBURSEMENT .....	10
6. THE BONDS AND TRANSFERABILITY .....	12
7. BONDS IN BOOK-ENTRY FORM .....	12
8. RIGHT TO ACT ON BEHALF OF A BONDHOLDER .....	13
9. PAYMENTS IN RESPECT OF THE BONDS .....	14
10. INTEREST .....	14
11. REDEMPTION AND REPURCHASE OF THE BONDS .....	15
12. INFORMATION UNDERTAKINGS .....	16
13. FINANCIAL COVENANTS .....	18
14. SPECIAL UNDERTAKINGS .....	20
15. TERMINATION OF THE BONDS .....	24
16. DISTRIBUTION OF PROCEEDS .....	27
17. DECISIONS BY BONDHOLDERS .....	28
18. BONDHOLDERS' MEETING .....	31
19. WRITTEN PROCEDURE .....	32
20. AMENDMENTS AND WAIVERS .....	32
21. APPOINTMENT AND REPLACEMENT OF THE AGENT .....	33
22. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT .....	37
23. APPOINTMENT AND REPLACEMENT OF THE CSD .....	37
24. NO DIRECT ACTIONS BY BONDHOLDERS .....	38
25. TIME-BAR .....	38
26. NOTICES AND PRESS RELEASES .....	39
27. FORCE MAJEURE AND LIMITATION OF LIABILITY .....	40
28. ADMISSION TO TRADING .....	40
29. GOVERNING LAW AND JURISDICTION .....	40

# TERMS AND CONDITIONS

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## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

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

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

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

“**Adjusted Net Operating Income**” means, in respect of any Reference Period, the Group’s net operating income (Sw. *driftnetto*) less the Group’s central administration costs (Sw. *kostnader för central administration*) during such Reference Period.

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the aggregate Nominal Amount of all Bonds owned by a Group Company or an Affiliate of a Group Company, irrespective of whether such Person is directly registered as owner of such Bonds.

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

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

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

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

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

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 18 (*Bondholders’ Meeting*).

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

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

**“Call Option Amount”** means:

- (a) 101.26 per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but not including) the date falling 30 months after the First Issue Date;
- (b) 100.63 per cent. per cent. of the Nominal Amount if the call option is exercised on or after the date falling 30 months after the First Issue Date up to (but not including) the date falling 36 months after the First Issue Date;
- (c) unless paragraph (d) below applies, 100.315 per cent. of the Nominal Amount if the call option is exercised on or after the date falling 36 months after the First Issue Date up to (but not including) the Final Redemption Date; or
- (d) 100.00 per cent. of the Nominal Amount if the call option is exercised on or after the date falling 36 months after the First Issue Date up to (but not including) the Final Redemption Date, provided that such early redemption is financed in full or in part by way of the Issuer issuing Market Loan(s).

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

**“Change of Control”** means the occurrence of an event or series of events whereby one or more Persons (other than any Main Shareholder) acting together, acquire control over the Issuer and where “control” means (i) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the votes of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

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

**“CSD”** means the Issuer’s central securities depository and registrar in respect of the Bonds from time to time; initially Euroclear Sweden AB (reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden).

**“De-listing”** means:

- (a) following an initial public offering of the common shares of the Issuer or another Group Company, a situation where:
  - (i) the shares of that Group Company listed on the relevant Regulated Market or recognised unregulated market place cease to be listed on such market; or
  - (ii) trading of the Group Company’s listed ordinary shares on the aforementioned stock exchange(s) is suspended for a period of 15 consecutive Business Days; or

- (b) once the Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market, that the Bonds are no longer admitted to trading or listed thereon (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market, as applicable, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).

“**Equity Ratio**” means, at any time, the Total Equity of the Group as a percentage of the aggregate value of the Total Assets.

“**Event of Default**” means an event or circumstance specified as such in Clause 15 (*Termination of the Bonds*).

“**Existing Bonds 2017/2021**” means the Issuer’s outstanding up to SEK 700,000,000 senior unsecured floating rate notes 2017/2021 with ISIN SE0010023259.

“**Existing Bonds 2019/2023**” means the Issuer’s outstanding up to SEK 750,000,000 senior unsecured floating rate notes 2019/2023 with ISIN SE0013042611.

“**Final Redemption Date**” means 12 April 2024.

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

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

- (a) monies borrowed or raised, including under any bank financing or Market Loans;
- (b) the amount of any liability in respect of any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Principles, be treated as a balance sheet liability;
- (c) receivables sold or discounted (other than on a non-recourse basis);
- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (f) above.

“**Financial Statements**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited



unconsolidated reports of the Issuer, which shall be prepared and made available according to paragraphs 12.1(a) and 12.1(b) of Clause 12.1 (*Financial Statements*).

“**First Call Date**” means the date falling two (2) years after the First Issue Date.

“**First Issue Date**” means 12 October 2020.

“**Force Majeure Event**” has the meaning set forth in Clause 27.1.

“**Green Finance Framework**” means the Issuer’s green finance framework, as it is worded on the Issue Date of the relevant Bonds.

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

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

“**Hybrid Instruments**” means any subordinated (according to its terms) debt instruments issued by the Issuer which are, entirely or partly:

- (a) treated, or intended to be treated, as equity by Moody’s Investor Services Limited and/or Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc.; or
- (b) is permitted to be accounted for as equity in accordance with the Accounting Principles at the date of issuance of the relevant subordinated debt instrument(s).

“**Incurrence Test**” has the meaning set forth in Clause 13.2 (*Incurrence Test*).

“**Incurrence Test Date**” has the meaning set forth in Clause 13.2 (*Incurrence Test*).

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

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

“**Initial Valuation**” means the Valuation delivered as a conditions precedent to the disbursement of the Net Proceeds, where the Valuation of each Property is based on a valuation not older than 12 months and the results of such valuation are reflected in good faith and in accordance with the Accounting Principles.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 10.1 to 10.3.

“**Interest Coverage Ratio**” means the ratio of Adjusted Net Operating Income to Interest Expenses.

“**Interest Expenses**” means, in respect of any Reference Period, the Group’s consolidated interest expenses (Sw. *räntekostnader*) according to the latest consolidated Financial Statements, excluding interest capitalised on Hybrid Instruments and on Subordinated Debt.

“**Interest Payment Date**” means 12 January, 12 April, 12 July and 12 October each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 12 January 2021 and the last Interest Payment Date being the Final Redemption Date (or any final Redemption Date prior thereto)).

“**Interest Period**” means each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment

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

“**Interest Rate**” means a floating rate of STIBOR (3 months) + 3.15 per cent. *per annum*, provided that if the Interest Rate is less than zero, it shall be deemed to be zero.

“**Issue Date**” means the First Issue Date or any date when Subsequent Bonds are issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

“**Issuer**” means Offentliga Hus i Norden AB (publ) (reg. no. 556824-2696), Nybrogatan 3, SE-114 34, Stockholm, Sweden.

“**Issuing Agent**” means Swedbank AB (publ) (reg. no. 502017-7753, SE-105 34 Stockholm, Sweden) or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Joint Bookrunners**” means Nordea Bank Abp (reg. no. 2858394-9, Satamaradankatu 5. FI-00020 Nordea, Finland) and Swedbank AB (publ) (reg. no. 502017-7753, SE-105 34 Stockholm, Sweden).

“**Listing Failure**” means the situation where the Initial Bonds have not been listed on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the First Issue Date or where any Subsequent Bonds have not been listed on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the Issue Date in respect of such Subsequent Bonds.

“**Loan to Value**” means the ratio of Net Interest Bearing Debt to Value.

“**Main Shareholder**” means each of Aktiebolaget Fastator (publ), reg. no. 556678-6645 and Offentliga Nordic Property Holding SARL, reg. no. B181169 and their respective Affiliates.

“**Maintenance Test**” has the meaning set forth in Clause 13.1 (*Maintenance Test*).

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

“**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 obligations under the Terms and Conditions; or
- (c) the validity or enforceability of the Terms and Conditions.

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

**“Net Interest Bearing Debt”** means the consolidated interest bearing Financial Indebtedness of the Group:

- (a) excluding any Financial Indebtedness borrowed from any Group Company);
- (b) excluding guarantees and similar arrangements;
- (c) excluding any Hybrid Instruments (including capitalised interest thereon provided that such interest is payable after the Final Redemption Date);
- (d) excluding any Subordinated Debt; and
- (e) less cash and cash equivalents of the Group according to the latest Financial Statements or per the Incurrence Test Date (as applicable), in accordance with the Accounting Principles.

**“Net Proceeds”** means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue after deduction has been made for any Transaction Costs.

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

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

**“Properties”** means all real properties and site leasehold rights (Sw. *tomträtter*) owned by any member of the Group from time to time.

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

**“Record Date”** means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 16 (*Distribution of proceeds*), (iv) the date of a Bondholders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**“Redemption Date”** means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 11 (*Redemption and repurchase of the Bonds*).

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

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

**“Regulated Market”** means any regulated market (as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended).

**“Restricted Payment”** has the meaning set forth in Clause 14.1.

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

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

“**STIBOR**” means:

- (a) the Stockholm interbank offered rate (STIBOR) administered by the Swedish Financial Benchmark Facility (or the replacing administrator or calculation agent) for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period, as displayed on page STIBOR= of the Thomson Reuters screen (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. on the Quotation Day; or
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11.00 a.m. on the Quotation Day; or
- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no rate is available for the relevant Interest Period pursuant to paragraphs (a) and (b) above and no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant period.

“**Subordinated Debt**” means any loan made to a Group Company as a debtor, if such loan:

- (a) is subordinated to the obligations of the Issuer under the Finance Documents pursuant to a subordination agreement;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date; and
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Redemption Date, save for payment of interest which is permitted under Clause 14.1 (*Distributions*).

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

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

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (a) owns shares or ownership rights representing more than 50.00 per cent. of the total number of votes held by the owners, (b) otherwise controls more than 50.00 per cent. of the total number of votes held by the owners, (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (d) exercises control as determined in accordance with the Accounting Principles.

“**Total Assets**” means, at any time, the total assets of the Group calculated on a consolidated basis, in each case according to the latest Financial Statements and in accordance with the Accounting Principles.

“**Total Equity**” means, at any time, the sum of the total equity of the Group calculated on a consolidated basis, in each case according to the latest Financial Statements and in accordance with the Accounting Principles.

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company (including any fees payable by the Issuer to the Joint Bookrunners for the services provided in relation to the placement and issuance of the Bonds) in connection with (i) the Initial Bond Issue or a Subsequent Bond Issue and (ii) the listing of the Bonds (including Subsequent Bonds) on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market.

“**Value**” means the aggregate fair value of the Properties according to the latest consolidated Financial Statements or per the Incurrence Test Date (as applicable).

“**Valuation**” means a full external valuation of a Property prepared and issued by an independent and reputable appraiser appointed by the Issuer in accordance with the valuation methods generally applied by Swedish property evaluators specifying the value of such Property.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 19 (*Written Procedure*).

## 1.2 **Construction**

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

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

- 1.2.2 An Event of Default is continuing if it has not been remedied or waived.
- 1.2.3 When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (<http://www.riksbank.se>). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.6 The selling and the distribution restrictions and the privacy statement contained in this document before the table of contents do not form part of the Terms and Conditions and may be updated without the consent of the Bondholders and the Agent (save for the privacy statement insofar it relates to the Agent).
- 1.2.7 Any Hybrid Instrument which is fully treated as equity in the balance sheet of the Issuer in accordance with the Accounting Principles shall, for the avoidance of doubt, not be deemed to constitute Financial Indebtedness or a Market Loan.

## **2. STATUS OF THE BONDS**

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

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

- 3.1 The aggregate amount of the bond loan will be an amount of up to SEK 1,000,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,250,000 or full multiples thereof (the “**Nominal Amount**”). The total nominal amount of the Initial Bonds is SEK 550,000,000 (“**Initial Bond Issue**”).
- 3.2 All Initial Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- 3.3 The ISIN for the Bonds is SE0014965919.
- 3.4 The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,250,000.
- 3.5 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 1,000,000,000, always provided that no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice,

the making of any determination (or any combination of the foregoing) or from the incurrence of the Subsequent Bonds and that the Issuer provides the Agent with a Compliance Certificate. Any Subsequent Bond shall, for the avoidance of doubt, be issued subject to these Terms and Conditions and the ISIN, the Interest Rate, the Nominal Amount and the final maturity applicable to the Initial Bonds shall apply also to Subsequent Bonds. The price of Subsequent Bonds may be set at the Nominal Amount or at a discount or at a higher price than the Nominal Amount.

- 3.6 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 3.7 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 3.8 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Bondholder confirms these Terms and Conditions.

#### **4. USE OF PROCEEDS**

- 4.1 The Issuer shall use an amount equivalent to the Net Proceeds from the Initial Bond Issue (i) in accordance with the Green Finance Framework and (ii) for repurchase and redemption in full of the Existing Bonds 2017/2021.
- 4.2 The Issuer shall use an amount equivalent to the Net Proceeds of any Subsequent Bond Issue in accordance with the Green Finance Framework.

#### **5. CONDITIONS FOR DISBURSEMENT**

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

- 5.1.1 The Issuer shall provide to the Agent, no later than 11.00 a.m. two (2) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), the following:
- (a) copies of the constitutional documents of the Issuer;
  - (b) a copy of a resolution of the board of directors of the Issuer:
    - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
    - (ii) authorising a specified person or persons to execute the Finance Documents on its behalf; and
    - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;
  - (c) a duly executed copy of the Terms and Conditions; and
  - (d) a duly executed copy of the Agency Agreement.

- 5.1.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.1.1 have been fulfilled (or amended or waived in accordance with Clause 20 (*Amendments and waivers*)). The First Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 11.00 a.m. one (1) Business Day prior to the First Issue Date (or later, if the Issuing Agent so agrees).
- 5.1.3 The Issuer shall provide to the Agent, no later than 11.00 a.m. two (2) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), an Initial Valuation for Properties representing at least ninety (90) per cent. of the Value (prior to the Initial Valuation). The Agent shall confirm to the Issuing Agent without delay when the conditions in this Clause 5.1.3 has been satisfied (or amended or waived in accordance with Clause 20 (*Amendments and waivers*)).
- 5.1.4 Following receipt by the Issuing Agent of the confirmations in accordance with Clauses 5.1.2 and 5.1.3, the Issuing Agent shall settle the issuance of the Initial Bonds and pay the Net Proceeds of the Initial Bond Issue to the Issuer on the First Issue Date.

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

- 5.2.1 The Issuer shall provide to the Agent, no later than 11.00 a.m. two (2) Business Days prior to the Issue Date (or such later time as agreed to by the Agent) in respect of Subsequent Bonds, the following:
- (a) the articles of association and certificate of incorporation of the Issuer;
  - (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith; and
  - (c) a certificate from the Issuer confirming that no Event of Default is continuing or would result from the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing or from the Subsequent Bond Issue.
- 5.2.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.2.1 have been fulfilled (or amended or waived in accordance with Clause 20 (*Amendments and waivers*)). The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 11.00 a.m. one (1) Business Day prior to the relevant Issue Date (or later, if the Issuing Agent so agrees).
- 5.2.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.2.2, the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds of such Subsequent Bond Issue to the Issuer on the relevant Issue Date.

## 5.3 **Responsibility for documentation**

- 5.3.1 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for this purpose.



- 5.3.2 Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.

## **6. THE BONDS AND TRANSFERABILITY**

- 6.1 Each Bondholder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 6.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 6.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.
- 6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 6.5 The Bonds have not been and will not be registered under the U.S. Securities Act. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.
- 6.6 For the avoidance of doubt and notwithstanding the above, a Bondholder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Bondholder hereunder in each case until such allegations have been resolved.

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

- 7.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator. The debt register (Sw. *skuldbok*) kept by the CSD from time to time shall constitute conclusive evidence of the persons who are Bondholders and their holdings of Bonds at the relevant point of time.
- 7.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements

to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.

- 7.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 7.4 For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 7.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- 7.6 At the request of the Agent, the Issuer shall promptly obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.
- 7.7 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

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

- 8.1 If any Person other than a Bondholder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 8.2 A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under these Terms and Conditions in relation to the Bonds for which such representative is entitled to represent the Bondholder.
- 8.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 8.1 and 8.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.
- 8.4 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (Sw. *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the

responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

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

9.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

9.2 If a Bondholder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account; such deposits will be effectuated by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.

9.3 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 10.4 during such postponement.

9.4 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.

9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

## **10. INTEREST**

10.1 The Initial Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Bond will, however, carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.

10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Bondholders on each Interest Payment Date for the preceding Interest Period.

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

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

### **11.1 Redemption at maturity**

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

### **11.2 The Group Companies' purchase of Bonds**

Each Group Company may, subject to applicable law, at any time and at any price purchase Bonds. Any Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a redemption of the Bonds in full.

### **11.3 Early voluntary redemption by the Issuer (call option)**

- 11.3.1 The Issuer may redeem all, but not some only, of the Bonds in full on any Business Day falling on or after the First Call Date up to (but excluding) the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid interest.
- 11.3.2 Redemption in accordance with Clause 11.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent to be fulfilled prior to the Record Date. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

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

- 11.4.1 Upon a Change of Control, a De-listing or a Listing Failure occurring, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of thirty (30) calendar days following a notice from the Issuer of the Change of Control, De-listing or Listing Failure (as applicable) pursuant to paragraph 12.4(a)(i) of Clause 12.4

*(Information: miscellaneous)*. The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control, De-listing or Listing Failure.

- 11.4.2 The notice from the Issuer pursuant to paragraph 12.4(a)(i) of Clause 12.4 *(Information: miscellaneous)* shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph 12.4(a)(i) of Clause 12.4 *(Information: miscellaneous)*. The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 11.4.1
- 11.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 11.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 11.4 by virtue of the conflict.
- 11.4.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.4, if a third party in connection with the occurrence of a Change of Control, De-listing or Listing Failure Event, as applicable, offers to purchase all Bonds in the manner and on the terms set out in this Clause 11.4 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 11.4 the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.
- 11.4.5 Any Bonds repurchased by the Issuer pursuant to this Clause 11.4 may at the Issuer's discretion be retained, sold or cancelled in accordance with Clause 11.2.

## **12. INFORMATION UNDERTAKINGS**

### **12.1 Financial Statements**

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

- (a) as soon as they are available, but in any event within four (4) months after the expiry of each financial year:
- (i) the audited consolidated financial statements of the Group for that financial year; and
  - (ii) the annual audited unconsolidated financial statements of the Issuer for that financial year; and
- (b) as soon as they are available, but in any event within two (2) months after the end of each quarter of each of its financial years:
- (i) the consolidated financial statements or year-end report (Sw. *bokslutskommuniké*) (as applicable) of the Group for that financial quarter; and

- (ii) the unconsolidated financial statements of the Issuer or year-end report (as applicable) for that financial quarter.

## 12.2 Requirements as to Financial Statements

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

12.2.2 Each of the Financial Statements shall include a profit and loss account and a balance sheet. In addition, each of the consolidated Financial Statements shall include a cash flow statement and a management commentary or report from the Issuer's board of directors.

## 12.3 Compliance Certificate

12.3.1 The Issuer shall issue a Compliance Certificate to the Agent signed by the Issuer:

- (a) when Financial Statements are made available to the Agent in accordance with paragraphs (a) or 12.1(b) of Clause 12.1 (*Financial Statements*);
- (b) in connection with the testing of the Incurrence Test; and
- (c) at the Agent's reasonable request, within twenty (20) calendar days from such request;

12.3.2 In each Compliance Certificate, the Issuer shall:

- (a) so far as it is aware, certify that no Event of Default is continuing or, if it is aware that such event is continuing, specify the event and steps, if any, being taken to remedy it;
- (b) if provided in connection with Financial Statements being made available, certify that the Maintenance Test is met as per the last day of the quarter to which the Compliance Certificate refers to, including calculations and figures in respect of the Maintenance Test; and
- (c) if provided in connection with a Restricted Payment being made which requires that the Incurrence Test is met, certify that the Incurrence Test is met as per the Incurrence Test Date, including calculations and figures in respect of the Incurrence Test, calculated pro forma including the relevant Restricted Payment (as applicable).

## 12.4 Information: miscellaneous

The Issuer shall:

- (a) promptly notify:
  - (i) the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control, a De-listing or a Listing Failure; and
  - (ii) the Agent upon becoming aware of the occurrence of an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice;

- (b) prepare and make available a report of the use of proceeds of the Bonds in accordance with the Issuer's Green Finance Framework to the Agent and on its website in connection with the publication of the annual audited consolidated financial statements of the Group;
- (c) keep the latest version of the Terms and Conditions (including documents amending the Terms and Conditions), its Green Finance Framework and the second opinion relating to its Green Finance Framework available on its website; and
- (d) upon request by the Agent, provide the Agent with any information relating to a transaction made pursuant to Clause 14.6 (*Disposal of assets, mergers and demergers*), which the Agent deems necessary (acting reasonably).

### **13. FINANCIAL COVENANTS**

#### **13.1 Maintenance Test**

13.1.1 The Maintenance Test shall be tested quarterly on each Reference Date from and including 31 December 2020, for as long as any Bond is outstanding, on the basis of the interim consolidated Financial Statements for the period ending on the relevant Reference Date and on the basis of the Compliance Certificate delivered in connection therewith.

13.1.2 The Maintenance Test is met if:

- (a) the Loan to Value does not exceed seventy (70) per cent.; and
- (b) the Interest Coverage Ratio is equal to or higher than 1.50:1.00.

#### **13.2 Incurrence Test**

13.2.1 The Incurrence Test shall be applied in connection with a Restricted Payment which requires that the Incurrence Test is met, until and including the Final Redemption Date.

13.2.2 The Incurrence Test shall be tested on the date on which such Restricted Payment is made (the "**Incurrence Test Date**").

13.2.3 The Incurrence Test is met if:

- (a) the Equity Ratio exceeds thirty (30) per cent.; and
- (b) the Interest Coverage Ratio is equal to or higher than 1.50:1.00; and
- (c) no Event of Default is continuing or would occur upon the relevant incurrence, distribution or payment (as applicable),

in each case calculated in accordance with Clause 13.3 (*Calculation principles*).

#### **13.3 Calculation principles**

For the purpose of any Incurrence Test (without double counting):

- (a) the transaction which requires that the Incurrence Test is made shall be included in the calculations on a *pro forma* basis;

- (b) the figures for Adjusted Net Operating Income for the Reference Period ending on the last day of the period covered by the most recent Financial Statements shall be used, but adjusted so that (as applicable):
  - (i) the net operating income of entities, assets or operations acquired, disposed of or discontinued by the Group during the Reference Period and up until and including the Incurrence Test Date shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period; and
  - (ii) the net operating income of any entity, asset or operation to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period and any property to be acquired shall be included *pro forma* as of the Incurrence Test Date;
- (c) the figures for Interest Expenses for the Reference Period ending on the last day of the period covered by the most recent Financial Statements shall be used, but adjusted so that (as applicable):
  - (i) any Bond that has been repurchased, and not resold, by any Group Company during the Reference Period and up until and including the Incurrence Test Date shall be excluded, *pro forma*, for the entire Reference Period; and
  - (ii) the new Financial Indebtedness (as applicable) is included on a *pro forma basis* for the entire Reference Period, provided such Financial Indebtedness is an interest bearing obligation;
- (d) the figures for Net Interest Bearing Debt as of the last day of the period covered by the most recent Financial Statements shall be used, but adjusted so that (as applicable):
  - (i) any Bond that has been repurchased, and not resold, by any Group Company after the end of the Reference Period and up until and including the Incurrence Test Date shall be excluded, *pro forma*;
  - (ii) all Financial Indebtedness incurred under the Initial Bond Issue and any Subsequent Bond Issue, in each case after the end of the Reference Period and up until and including the Incurrence Test Date, shall be included, *pro forma*;
  - (iii) any Financial Indebtedness which will be refinanced with the proceeds of any Financial Indebtedness incurred after the end of the Reference Period and up until and including the Incurrence Test Date shall be deducted from Net Interest Bearing Debt, *pro forma*; and
  - (iv) the Restricted Payment is included on a *pro forma* basis;
- (e) the figures for Equity Ratio as of the last day of the period covered by the most recent Financial Statements shall be used, but adjusted so that (as applicable):
  - (i) entities, assets or operations acquired, disposed of or discontinued by the Group after the Reference Period and up until and including the Incurrence Test Date shall be included or excluded (as applicable), *pro forma*;



- (ii) any entity, asset or operation to be acquired with the proceeds from Financial Indebtedness shall be included, *pro forma*, provided that such Financial Indebtedness is included in the calculation of the Equity Ratio;
- (iii) all Financial Indebtedness incurred under the Initial Bond Issue and any Subsequent Bond Issue, in each case after the end of the Reference Period and up until and including the Incurrence Test Date, shall be included, *pro forma*;
- (iv) any Financial Indebtedness which will be refinanced with the proceeds of any Financial Indebtedness incurred after the end of the Reference Period and up until and including the Incurrence Test Date shall be deducted from Total Equity, *pro forma*; and
- (v) any equity raised or distributions made after the last day of the period covered by the most recent Financial Statements shall be included or excluded (as applicable), *pro forma*.

## 14. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the undertakings set forth in this Clause 14.

### 14.1 Distributions

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

- (a) make or pay any dividend, charge, fee, (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital;
- (b) repurchase any of its own shares;
- (c) redeem its share capital or other restricted equity with repayment to shareholders;
- (d) repay principal or pay interest under any Subordinated Debt or any Hybrid Instrument;  
or
- (e) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's or the Subsidiaries' direct and indirect shareholders or the Affiliates of such direct and indirect shareholders,

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

- (i) any Group Company (save for the Issuer) if such Restricted Payment is made to a Group Company's immediate shareholder(s) and is made on a *pro rata* basis; or
- (ii) the Issuer:
  - (A) if the Existing Bonds 2019/2023 have not been redeemed in full, provided that:

- (1) the Incurrence Test (calculated *pro forma* including the relevant Restricted Payment) is met; and
  - (2) such Restricted Payment (when aggregated with all other Restricted Payments made by the Issuer that financial year, save for any Restricted Payment made in accordance with paragraph (B) below) does not exceed the higher of (a) SEK 40,000,000 and (b) 50.00 per cent. of the Group's consolidated profit before unrealised changes in property value and derivatives (calculated net of paid taxes) according to the annual audited financial statements for the previous financial year (and without accumulation of profits from previous financial years); or
- (B) if the Existing Bonds 2019/2023 have been redeemed in full, provided that the Incurrence Test (calculated *pro forma* including the relevant Restricted Payment) is met; and
  - (C) if such Restricted Payment is a payment of principal and interest under Hybrid Instruments in connection with a refinancing in part or in full of such Hybrid Instruments financed by the issuance of new Hybrid Instruments or the incurrence of Subordinated Debt.

#### 14.2 Admission to trading of Bonds

The Issuer shall ensure that the Initial Bonds are listed on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market within six (6) months after the First Issue Date.

#### 14.3 Market Loans

- (a) The Issuer shall procure that:
  - (i) except as permitted under paragraph (c) below, no Group Company (save for the Issuer) issues any Market Loan;
  - (ii) any Market Loan (save for Subsequent Bonds) issued by the Issuer:
    - (A) is unsecured; and
    - (B) has a final redemption date or, when applicable, early redemption dates or instalment dates, that occur after the Final Redemption Date.
- (b) The Issuer shall not, and shall procure that no other Group Company will:
  - (i) maintain, prolong or provide any guarantee or security over any of the Group's present or future assets to secure any Market Loan, save for security arising in connection with the redemption of a Market Loan for the purpose of securing the redemption of the Market Loan; or
  - (ii) repurchase any Market Loan, or part thereof, issued by any Group Company, other than in relation to:

- (A) the Bonds, as permitted under the Terms and Conditions;
  - (B) the Existing Bonds 2017/2021, as permitted under the terms and conditions of the Existing Bonds 2017/2021; and
  - (C) any Market Loan incurred in accordance with paragraph (c) below, if such Market Loan has an original maturity date which falls prior to the Final Redemption Date.
- (c) Notwithstanding anything to the contrary herein, a Market Loan incurred by a Group Company prior to the acquisition by the Group of such Group Company may remain outstanding but may not be extended beyond its original maturity or refinanced save as permitted under paragraph (a) above.

#### 14.4 **Maintenance Test**

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

#### 14.5 **Nature of business**

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

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

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

- (a) sell, transfer or otherwise dispose of shares in any Group Company or of all or substantially all of its or any Group Company's assets or operations to any Person not being the Issuer or any of the wholly-owned Subsidiaries; or
- (b) enter into any amalgamation, demerger, merger or consolidation, unless (i) between Group Companies (other than the Issuer), or (ii) between the Issuer and a Group Company or any other company,

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

#### 14.7 **Maintenance of Properties**

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

#### 14.8 **Insurance**

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

#### 14.9 **Property valuations**

- (a) The Issuer shall procure that a Valuation regarding the fair value of Properties representing at least ninety (90) per cent. of the Value (prior to such Valuation) is prepared each financial year (on a rolling twelve (12) months basis) and that (i) the results of such Valuation is reflected in the next Compliance Certificate submitted to the Agent (noting the Value of each Property and the date of the last Valuation of such Property) and (ii) if requested by the Agent, such Valuation is delivered in full to the Agent.
- (b) Without prejudice to paragraph (a) above, the Issuer shall procure that a Valuation regarding the fair value of in respect of each Property is prepared at least every second financial year (on a rolling twenty-four (24) months basis).
- (c) The Issuer shall further procure that the results of such Valuation(s), or (if available) any subsequent comparable Valuation(s) replacing such Valuation(s), are reflected in good faith and in accordance with the Group's valuation policy in the following Financial Statements.

#### 14.10 **Dealings with related parties**

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

#### 14.11 **Compliance with laws**

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

#### 14.12 **Authorisations**

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

#### 14.13 **Agency Agreement**

- (a) The Issuer shall, in accordance with the Agency Agreement:
  - (i) pay fees to the Agent;
  - (ii) indemnify the Agent for costs, losses and liabilities;
  - (iii) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
  - (iv) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

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

14.14 **CSD related undertakings**

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

**15. TERMINATION OF THE BONDS**

15.1 Each of the events or circumstances set out in this Clause 15 is an Event of Default (save for Clause 15.11 (*Termination*)).

15.2 **Non-payment**

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

15.3 **Other obligations**

The Issuer does not comply with these Terms and Conditions in any other way (other than as set out under Clause 15.2 (*Non-payment*) above or Clause 4 (*Use of proceeds*)), unless the non-compliance (i) is capable of being remedied and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

15.4 **Cross default**

- (a) Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described); or
- (b) any security interest securing Financial Indebtedness over any asset of any Group Company is enforced;

provided however that the amount of Financial Indebtedness referred to under paragraphs (a) and/or (b) above, individually or in the aggregate exceeds an amount corresponding to SEK 20,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

15.5 **Insolvency**

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

- (b) a moratorium is declared in respect of the Financial Indebtedness of any Group Company,

provided however that the assets of the Group Company referred to under paragraphs (a) and/or (b) above, individually or in the aggregate have a value equal to or exceeding SEK 20,000,000, calculated in accordance with the latest Financial Statements (as applicable).

#### 15.6 **Insolvency proceedings**

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

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

provided however that the assets of the Group Company referred to under paragraphs (a), (b) and/or (c) above, individually or in the aggregate have a value equal to or exceeding SEK 20,000,000, calculated in accordance with the latest Financial Statements (as applicable).

#### 15.7 **Mergers and demergers**

A decision is made that any Group Company shall be merged or demerged into a company, unless the merger or demerger is (i) between Group Companies (other than the Issuer), or (ii) between the Issuer and a Group Company or any other company, provided that the Issuer is the surviving entity.

#### 15.8 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value equal to or exceeding SEK 20,000,000 and is not discharged within sixty (60) calendar days.

#### 15.9 **Impossibility or illegality**

It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Terms and Conditions or if the obligations under the Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable.

#### 15.10 **Cessation of business**

A Group Company ceases to carry on its business (except if due to (i) a solvent liquidation of a Group Company other than the Issuer or (ii) a permitted disposal, merger or demerger as stipulated in Clause 14.6 (*Disposals of assets, mergers and demergers*) and provided, in

relation to a discontinuation of a Group Company other than the Issuer, that such discontinuation is likely to have a Material Adverse Effect.

## 15.11 **Termination**

- 15.11.1 If an Event of Default has occurred and is continuing, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Bondholder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction or decision pursuant to Clause 15.11.6 or 15.11.7, on behalf of the Bondholders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration).
- 15.11.2 The Agent may not terminate the Bonds in accordance with Clause 15.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the grounds mentioned under Clause 15.11.1.
- 15.11.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 15.11.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 15.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 15.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 15.1 and provide the Agent with all documents that may be of significance for the application of this Clause 15.
- 15.11.5 The Issuer is only obliged to inform the Agent according to Clause 15.11.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with Nasdaq Stockholm (or any other Regulated Market, as applicable) or otherwise, the Issuer shall however be obliged to either seek the approval from Nasdaq Stockholm (or any other Regulated Market, as applicable) or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 15.11.4.
- 15.11.6 If the Agent has been notified by the Issuer or has otherwise received actual knowledge that there is an Event of Default under the Finance Documents according to Clause 15.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or actual knowledge, the Bondholders of the Event of Default and (ii) decide, within twenty (20) Business Days of the day of notification or actual knowledge, if the Bonds shall be declared terminated. If the

Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Bondholders that there exists a right of termination and obtain instructions from the Bondholders according to the provisions in Clause 17 (*Decisions by Bondholders*). If the Bondholders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Bondholders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- 15.11.7 If the Bondholders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 17 (*Decisions by Bondholders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Bondholders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 15.11.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 15, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 15.11.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 15 without relevant decision by the Agent or following instructions from the Bondholders' pursuant to Clause 17 (*Decisions by Bondholders*).
- 15.11.10 If the Bonds are declared due and payable in accordance with this Clause 15 (*Termination of the Bonds*), the Issuer shall redeem all Bonds with an amount per Bond equal to 101.00 per cent. of the Nominal Amount.

## **16. DISTRIBUTION OF PROCEEDS**

- 16.1 If the Bonds have been declared due and payable in accordance with Clause 15 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of:
- (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent;
  - (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights;
  - (iii) any non-reimbursed costs incurred by the Agent for external experts; and
  - (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a bondholders' meeting or a written procedure;



- (b) *secondly*, in or towards payment pro rata of accrued but unpaid interest under the Bonds (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment pro rata of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Terms and Conditions.

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

- 16.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16.1, such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16.1.
- 16.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 16 as soon as reasonably practicable.
- 16.4 If the Issuer or the Agent shall make any payment under this Clause 16, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

## **17. DECISIONS BY BONDHOLDERS**

- 17.1 A request by the Agent for a decision by the Bondholders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 17.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least 10 per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.

- 17.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 17.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Bondholder*) from a Person who is, registered as a Bondholder:
- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 19.3, in respect of a Written Procedure,
- may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- 17.5 The following matters shall require consent of Bondholders representing at least  $66\frac{2}{3}$  per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3:
- (a) waive a breach of or amend an undertaking set out in Clause 12 (Special undertakings);
  - (b) a mandatory exchange of the Bonds for other securities;
  - (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
  - (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
  - (e) amend the provisions in this Clause 17.5 or Clause 17.6.
- 17.6 Any matter not covered by Clause 17.5 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs 20.1(a) to 20.1(c) of Clause 20.1) or a termination of the Bonds.
- 17.7 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Bondholders' Meeting or the Agent in a Written Procedure, will prevail. The chairman at a Bondholders' Meeting shall be appointed by the Bondholders in accordance with Clause 17.6.
- 17.8 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 17.9 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 18.1) or initiate a second Written Procedure (in accordance with Clause 19.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 17.8 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 17.10 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 17.11 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 17.13 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- 17.14 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.15 If a decision shall be taken by the Bondholders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 17.16 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting

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

## **18. BONDHOLDERS' MEETING**

- 18.1 The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons). If the Bondholders' Meeting has been requested by the Bondholder(s), the Agent shall send a copy of the notice to the Issuer.
- 18.2 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 18.1 with a copy to the Agent. After a request from the Bondholders pursuant to Clause 21.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 18.1.
- 18.3 The notice pursuant to Clause 18.1 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 Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- 18.4 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 18.5 If the Agent, in breach of these Terms and Conditions, has not convened a Bondholders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Bondholders' Meeting itself. If the requesting Person is a Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the register kept by the CSD and, if no Person to open the Bondholders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 18.6 At a Bondholders' Meeting, the Issuer, the Bondholders (or the Bondholders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Bondholders' Meeting. The Bondholders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Bondholders' Meeting instead of the Bondholder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Bondholder.
- 18.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the

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

## **19. WRITTEN PROCEDURE**

- 19.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Bondholder(s), the Agent shall send a copy of the communication to the Issuer.
- 19.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19.1 to each Bondholder with a copy to the Agent.
- 19.3 A communication pursuant to Clause 19.1 shall include (i) each request for a decision by the Bondholders, (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 Bondholder 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 Bondholder must reply to the request (such time period to last at least ten (10) Business Days but no more than twenty twenty (20) Business Days from the communication pursuant to Clause 19.1. If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 19.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the register kept by the CSD.
- 19.5 When the requisite majority consents of the aggregate Adjusted Nominal Amount pursuant to Clause 17.5 and 17.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.5 or 17.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **20. AMENDMENTS AND WAIVERS**

- 20.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree in writing to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:
- (a) the Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;

- (b) the Agent is satisfied that 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 having the Bonds admitted to trading on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) provided that such amendment or waiver does not materially adversely affect the rights of the Bondholders; or
- (d) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*).

20.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.

20.3 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 20, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

20.4 An amendment or waiver to these Terms and Conditions shall take effect on the date determined by the Bondholders' Meeting, in the Written Procedure or by the Agent, as the case may be.

## **21. APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **21.1 Appointment of Agent**

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

21.1.2 Each Bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Bondholder which does not comply with such request.

21.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions and the Agency Agreement.

21.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agency Agreement and the Agent's obligations as agent under these Terms and Conditions and the Agency Agreement are conditioned upon the due payment of such fees and indemnifications.

21.1.5 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## 21.2 **Duties of the Agent**

21.2.1 The Agent shall represent the Bondholders in accordance with these Terms and Conditions. However, the Agent is not responsible for the execution or enforceability of these Terms and Conditions. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.

21.2.2 The Agent is not obliged to actively assess or monitor (i) the financial condition of the Issuer or any Group Company, (ii) the compliance by the Issuer of the Finance Documents (unless expressly set out in the Finance Documents) or (iii) whether an Event of Default (or any event that may lead to an Event of Default) has occurred or not. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.

21.2.3 The Agent may assume that any information, documentation and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such information, documentation or evidence. The Agent does not review any information, documents and evidence from a legal or commercial perspective of the Bondholders.

21.2.4 The Agent is not responsible for any determination made by the Issuer under or in respect of the Terms and Conditions, but is not bound by the Issuer's determination.

21.2.5 Upon the reasonable request by a Bondholder, the Agent shall promptly distribute to the Bondholders any information from such Bondholder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Bondholder disclose the identity of any other Bondholder who has consented to the Agent in doing so.

21.2.6 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.

21.2.7 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under these Terms and Conditions.

21.2.8 The Agent shall treat all Bondholders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any

other Person, other than as explicitly stated in these Terms and Conditions and the Agency Agreement.

- 21.2.9 The Agent shall be entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 21.2.10 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under these Terms and Conditions or (iii) when the Agent is to make a determination under these Terms and Conditions. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under these Terms and Conditions shall be distributed in accordance with Clause 16 (*Distribution of proceeds*).
- 21.2.11 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under these Terms and Conditions.
- 21.2.12 Notwithstanding any other provision of these Terms and Conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 21.2.13 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 21.2.14 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agency Agreement, or (ii) if it refrains from acting for any reason described in Clause 21.2.13
- 21.2.15 The Agent's duties under the Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with the Terms and Conditions and upon instructions from the Bondholders, unless otherwise set out in the Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person.

### 21.3 **Limited liability for the Agent**

- 21.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.



- 21.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 21.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 21.3.4 The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 17 (*Decisions by Bondholders*).
- 21.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Bondholders under these Terms and Conditions.
- 21.3.6 The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other person.
- 21.4 **Replacement of the Agent**
- 21.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 21.4.2 Subject to Clause 21.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 21.4.3 A Bondholder (or Bondholders) representing at least 10 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 Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 21.4.4 If the Bondholders have not appointed a successor Agent within 90 calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, 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.

- 21.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions and the Agency Agreement.
- 21.4.6 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.
- 21.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **22. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

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

## **23. APPOINTMENT AND REPLACEMENT OF THE CSD**

- 23.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 23.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the listing of the Bonds listed on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market). The replacing CSD must be authorised

to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (Sw. lag (2007:528) om värdepappersmarknaden).

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

- 24.1 A Bondholder may not take any action or legal steps whatsoever against any Group Company to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of any Group Company in relation to any of the liabilities of the Issuer under these Terms and Conditions. Such steps may only be taken by the Agent.
- 24.2 Clause 21.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 21.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agency Agreement or by any reason described in Clause 21.2.13, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.14 before a Bondholder may take any action referred to in Clause 24.1.
- 24.3 The provisions of Clause 21.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 11.4 (*Mandatory repurchase due to a Change of Control, a De-listing or Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## **25. TIME-BAR**

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

## **26. NOTICES AND PRESS RELEASES**

### **26.1 Notices**

26.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or to such address as notified by the Agent to the Issuer from time to time, if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or to such address as notified by the Issuer to the Agent by not less than five (5) Business Days' notice from time to time, and if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time; and
- (c) if to the Bondholders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.

26.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 26.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 26.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 26.1.1.

26.1.3 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

### **26.2 Press releases**

26.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clause 11.3 to 11.4, paragraph 12.4(a) of Clause 12.4, 15.11.6, 16.4, 17.16, 18.1, 19.1, 20.3, 21.2.14 and 21.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

26.2.2 In addition to Clause 26.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it

can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

## **27. FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 27.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “Force Majeure Event”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 27.2 The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage.
- 27.3 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.
- 27.4 The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

## **28. ADMISSION TO TRADING**

The Issuer intends to list the Initial Bonds within thirty (30) calendar days from the First Issue Date, and has undertaken to list the Initial Bonds within six (6) months, after the First Issue Date on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market) in accordance with Clause 14.2 (*Admission to trading of Bonds*). Further, if the Initial Bonds have not been listed on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the First Issue Date, each Bondholder has a right of repayment (put option) of its Bonds in accordance with Clause 11.4 (*Mandatory repurchase due to a Change of Control, a De-listing or Listing Failure (put option)*).

## **29. GOVERNING LAW AND JURISDICTION**

- 29.1 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.
- 29.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 29.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 29.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

## ADDRESSES

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### Company and Issuer

Offentliga Hus i Norden AB (publ)  
 Visiting address: Linnégatan 2, SE-114 47  
 Stockholm  
 Mailing address: Linnégatan 2, SE-114 47  
 Stockholm  
 Telephone: +46 (0)8 660 67 00  
[www.offentligahus.se](http://www.offentligahus.se)

### Issuing Agent and Joint Bookrunner

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[www.swedbank.se](http://www.swedbank.se)

### Joint Bookrunner

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 FI-00020 Nordea, Finland  
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