

F A S T A T O R

AKTIEBOLAGET FASTATOR (publ)

**PROSPECTUS REGARDING THE LISTING OF
UP TO SEK 700,000,000
SENIOR SECURED CALLABLE FLOATING RATE BONDS
DUE 2021**

ISIN: SE0011762129

PROSPECTUS DATED 23 NOVEMBER 2018

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Aktiebolaget Fastator (publ) (the “**Company**” or together with its direct and indirect subsidiaries (unless otherwise indicated by the context) the “**Group**”), registration number 556678-6645, in relation to the application for listing of bonds issued under the Company’s maximum SEK 700,000,000 senior secured callable floating rate bonds 2018/2021 with ISIN SE0011762129 (the “**Bonds**”), of which SEK 350,000,000 was issued on 26 October 2018 (the “**First Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”), on the corporate bond list on Nasdaq Stockholm Aktiebolag (“**Nasdaq Stockholm**”). Pareto Securities AB and Swedbank AB (publ) have acted as joint bookrunners (together the “**Joint Bookrunners**”) and Pareto Securities AB has acted as issuing agent (the “**Issuing Agent**”). This Prospectus has been prepared in accordance with the rules and regulations in the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) (the “**Trading Act**”) and the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) pursuant to the provisions in Chapter 2, Sections 25 and 26, of the Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the SFSA that the information in this Prospectus is accurate or complete. This Prospectus is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The Prospectus is available at the SFSA’s web page (fi.se) and the Company’s web page (fastator.se).

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

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**” refers to Swedish Kronor.

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.

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RISK FACTORS

Investing in the Bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect the Group. These risk factors include, but are not limited to, market risks, risks relating to the business operations of the Group, regulatory risks and financial risks. If any of these or other risks or uncertainties actually occur, the business, operating results and financial position of the Group could be materially and adversely affected. In turn, this would have an adverse effect on the Group's ability to fulfil its obligations (including repayment of the principal amount and payment of interest) under the Terms and Conditions. The risks presented herein are not exhaustive, and other risks not presently known to the Group, or that the Group currently deems immaterial, and therefore not discussed herein, may also adversely affect the Group and adversely affect the price of the Bonds and the Group's ability to service its debt obligations. Prospective investors should carefully consider the information contained in this material and make an independent evaluation before making an investment decision.

Risks relating to the Company

Markets risks

Macroeconomic factors

The Company's business focus is primarily on investments in real property owning entities within Sweden and secondarily on investments in entities conducting ancillary business such as property development, real estate management services and digitalisation in the real estate sector. Consequently, the Group's earnings and financial position are, and will continue to be, influenced by macroeconomic factors that affect the Swedish real estate market.

The real estate market is largely affected by global, regional and in particular national macroeconomic factors, such as general economic trends, regional economic developments, and employment rate development, production rate of new premises, changes in infrastructure, inflation or interest rates. In the long term, changes in interest rates will have a significant effect on the Group's result and cash flow. The factors mentioned above are outside the Group's control and may be difficult to foresee. Accordingly, negative changes in macroeconomic factors may have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to competition

The Group faces competition from real estate investment companies, similar to the Company, and other companies that buys, sells and/or rent properties, similar to the

Group's property owning entities, or which otherwise compete in the same market as the Group.

There is a risk that the Group may face increased competition from competitors that do not currently operate in the same geographical market as the Group by virtue of such potential competitors expanding their business to the geographical market in which the Group operates. Furthermore, there is a risk that the Group's competitors, for example, may have or may develop business models that provide greater ability to anticipate future market changes and trends and a greater ability to react on existing and future market needs. This may in turn result in increased costs, force price reductions (for example when selling properties), restructuring operations and/or changes to the Group's business model in order to adapt to the competitive landscape. In addition, some competitors in the market may have an economic advantage with greater (or better access to) financial resources than the Group. Consequently, if the Group is unable to respond effectively to competition or if the Group has to make, for example, significant restructuring or price reductions, it may have a material adverse effect on the Group's business, financial condition and results of operations.

Business risks

Risks relating to the real estate and rental sector

The Group and its associated entities (Sw. *intressebolag*) invest in real properties and conduct business within the rental sector. Hence, rental income is the main source of income for the Group. Accordingly, the Group and its property owning entities are facing a number of risks relating to the rental sector. In addition to macroeconomic factors described under section "*Risks relating to the Company – Markets risks – Macroeconomic factors*", the Group's rental income is affected by factors such as vacancy rates, rental rates and the tenants paying their rents on time.

The performance of the Group is dependent on its ability to attract and retain creditworthy tenants. Vacancies, decreased rental rates and increased tenant defaults may have a material adverse effect on the Group's business, financial condition and results of operations. For example, the risk of fluctuations in vacancies increases with a higher concentration of large tenants. The Company owns 50 per cent. of the shares in Offentliga Hus i Norden Holding AB ("**Offentliga Hus Holding**"), which in turn owns Offentliga Hus i Norden AB ("**Offentliga Hus Norden**"). Offentliga Hus Norden acquires, manages and develops properties in order to let such properties to public sector tenants. During the financial quarter ending 30 June 2018, the ten largest tenants of Offentliga Hus Norden accounted for approximately 56 per cent. of Offentliga Hus Norden's total rental income. Accordingly, if any such tenants do not renew or extend their rental agreements upon expiry and the Group is unable to

fill such vacancy, it could have a material adverse effect on the Group's vacancy rates and rental income. Furthermore, certain lease agreements in respect of newly acquired properties may be short-term lease agreements, which decrease the average lease term of the Group's portfolio and consequently increase the risk of rising vacancy rates in the short term. If the Group is unable to re-negotiate, renew or extend the terms of such lease agreements upon expiry, it may have an adverse effect on the Group's results of operations.

Furthermore, when letting real properties to public sector tenants, the Group's rental income and vacancy rates are as well dependent on, for example, municipal budgets and local developments in the relevant municipality.

Additionally, a large proportion of the Group's operating expenses is attributable to maintenance costs relating to its real estate, since the standard of its real estate has to be maintained. There is a risk that such costs will increase without compensation through regulation of the rental agreements, or an increase of the rent by renegotiation the rental agreement.

Consequently, large fluctuations in vacancy rates, tenant default rates, loss of rental income and increased maintenance costs may have a material adverse effect on the Group's business, financial condition and results of operations.

Risks relating to the Group's property management services

Nordic PM AB ("**Nordic PM**") is 70 per cent. owned by the Company. Nordic PM is a property management company and does not hold any real properties. As at 30 June 2018, Nordic PM manages and develops real properties of approximately 1.5 million square metres throughout Sweden. By using a property manager, the Group seeks to manage its investments and capitalize on the returns of such investments. Thus, the responsibility of the property manager is, among others, to conduct maintenance of the real properties where necessary, negotiate appropriate rental increases, monitor lease dates in order to minimize vacancy periods and monitor the real properties and tenants regularly. Consequently, if Nordic PM is unable to increase the value of the Group's investments by preserving the condition of the real properties and/or is unable to manage rental rates and vacancy rates, it may have a material adverse effect on the Group's business, financial condition and results of operations.

In addition, a property manager is responsible for the safety and security of the real properties. The security measures used will depend on the risks associated with a particular building, but may include alarms, security video, access control, security officers and parking lots, among others. If Nordic PM, as property manager, is unable of ensuring that security installations fit each property's unique culture and/or that security measures are adequate, there is a risk that the Group may suffer reputational

damage or that tenants may direct claims against the Group relating to negligence or contract performance. If such risks were to materialise, it may have an adverse effect on the Group's business, earnings and financial position.

Risks relating to changes in technology and digitalisation

The Group is dependent on the adoption of new technologies and processes relevant for the Group's business. For example, advances in technology may help property managers, such as Nordic PM, to analyse buildings' energy consumption and develop strategies to manage energy more efficiently to lower total operating lease costs. If the Group is unable to adopt new technologies or processes, or develop existing technologies or processes, relevant for the Group's business, the Group may fail to profit on its investments or fail to deliver services that meet the needs of the Group's clients. In turn, this may have an adverse effect on the Group's business, earnings and financial position.

Furthermore, implementation of investments in information technology or new digital services could exceed estimated budgets and the Group may experience challenges preventing new technologies and digital services from being realised according to anticipated schedules. Consequently, if the Group fails to successfully implement new technologies and digital services, the execution of the Group's business plans may be disrupted, which may have an adverse effect on the Group's business, earnings and financial position. Similarly, the Group's employees require effective tools and techniques to perform functions vital to the Group's business. Failure to successfully provide such tools and systems, or ensure that employees have properly adopted them, could materially and adversely impact the Group's ability to achieve positive business outcomes, which may have an adverse effect on the Group's business, earnings and financial position.

Project risks

A part of the Group's business activities consists of property development projects. For example, the Company's associated entity, GenovaFastator Holding AB ("**GenovaFastator**"), plans to build a thirty-story residential building with 25,000 square metres and 300 residential units to let. The construction is to be carried out on a commercial property in Nacka. The project is still in the planning phase and discussions regarding the terms for the exploitation of the property are ongoing with the municipality.

The possibility of executing property development projects with economic profitability depends on several factors, such as the ability to retain and recruit necessary expertise within, for example, construction, project planning, design, architecture and marketing. Furthermore, necessary permits and authority approvals

must be obtained. Property developments projects may as well lead to unexpected costs due to, for example, changes in taxes and fees and/or delays.

Consequently, there is a risk that the Group's property development projects will not meet the Group's profitability goals. For example, projects may be delayed due inadequate planning or the lack of necessary expertise. In turn, this may incur increased costs and thus, reduced profitability or negative returns on investments. There is also a risk that the Group will not obtain necessary authority approvals or permits in relation to ongoing property developments projects, which as well could lead to such projects being delayed (or not implemented at all), and as well leading to reduced profitability or negative returns on investments. Furthermore, there is a risk that the project, when completed, fails to perform as intended or fails to meet the mission or business requirements that generated the justification for the project, which in turn could decrease the profitability of the project or lead to negative returns on investments.

If any of the above-described risks would materialise, it may have a material adverse effect on the Group's business, financial condition and results of operations.

Geographical risks

The supply and demand for properties, including the return of property investments, may vary within different geographical markets. Thus, the value of properties is influenced by their location based on the region, state, city or even a specific neighbourhood. Primary markets, such as Stockholm and other major towns and cities, have greater, more diverse economies and a larger population base to insulate it from market downturns. In contrast, secondary markets with non-primary locations may be associated with higher risks, mainly because of a susceptibility to downturns in the economy and a narrower group of buyers.

As of 30 June 2018, Offentliga Hus Norden manages a portfolio of 218 properties within the segment of community service properties. Thus, the properties are primarily leased to public tenants and such tenants represent the majority of the rental income. The properties are spread throughout 137 different locations in Sweden and are located mainly in Västra Götaland, Värmland, Skåne, Uppland and Gotland. Such regions may be more sensitive to fluctuations in demand to the extent the properties are located in secondary markets. Further, the transaction activity in such markets may be lower than in the primary markets. In turn, this may lead to a lower return on the property investments when selling the properties and thus, negatively affect the business, earnings and financial position of the Group.

In the recent years, there have been house price increases in Sweden due to, among others, falling interest rates, reduced taxes, increases in household incomes, urbanisation and difficulties to find rental accommodations. There is a risk that

significant increases in rental rates and economic recession may lead to significant house price reductions and a lower transaction activity. Such factors may have a material adverse effect, not only on the secondary housing markets, but as well on the Stockholm housing market, although the Stockholm area is regarded as a primary market. For example, the planned property project in Nacka described in the risk factor “*Project risks*” may be subject to a high potential exposure against a decline in the housing market in the Stockholm area. Consequently, declines in the housing market in the Stockholm area and in the secondary markets, may have a material adverse effect on the Group’s business, financial condition and results of operations.

In addition, if the public sector’s demand for premises to lease declines in any or all of the geographical markets where the properties of Offentliga Hus Norden are located, it could negatively affect the financial position of Offentliga Hus Norden and Offentliga Hus Holding, and ultimately the business, earnings and financial position of the Group.

Risks relating to infrastructure disruptions

The Group manages real estate for tenants and clients. The real estate includes, among others, commercial buildings for logistics and industrial activities and buildings for community services, such as offices, schools, warehouses and care facilities. There is a risk that infrastructure disruptions, such as fires, floods, or other natural disasters, including defects and terrorist attacks, may disrupt the property owning entities’ ability to manage real estate for tenants and clients. In addition, the value of the Group’s real estate investments may be adversely affected. Furthermore, to the extent the property owning entities are held to have been negligent in connection with the management of the affected properties, the Group could incur significant financial liabilities and reputational harm.

Any of the aforementioned could have a material adverse effect on the Group’s business, earnings and financial position.

Risks relating to student accommodations

There are a number of risks tied to the nature of student housings (also, see the risk factor “*Risks relating to the real estate and rental sector*”). Offentliga Hus Norden has recently sold its student accommodations to the newly formed company Studentbostäder i Sverige AB (“**Studentbostäder**”), a company solely focusing on student accommodations. Offentliga Hus Norden holds 45.77 per cent. of the shares in Studentbostäder. As of 2 July 2018, the property portfolio of Studentbostäder contained 21 properties, amounting to approximately 49 thousand square metres to a total book value of SEK 900 million.

Student accommodations are associated with high tenant turnover and are temporary to their nature. Student tenants are also notorious when it comes to wear and tear.

This means that the property owner may be forced to allocate more money for renovation on a regular basis to keep the student accommodations in good shape.

Furthermore, Offentliga Hus Norden, being a minority owner, will not have sole control over Studentbostäder and thus, may be affected by the other owners' decisions regarding the strategy and management of Studentbostäder.

Consequently, there is a risk that a substantial part of the revenues of Studentbostäder may end up in expenses for property management and maintenance, and furthermore, that Offentliga Hus Norden may not be able to control the strategy and management of Studentbostäder, which in turn could have a material impact on Offentliga Hus Norden, and ultimately the Group's business, earnings and financial position.

Risks relating to acquisitions and disposals

The Group has primarily grown by means of making acquisitions and investments in real estate companies. As part of the Group's development, the Group may seek further opportunities through acquisitions of properties and property owning entities in order to stay competitive, or to enhance the Group's position in its core areas of operation. Successful growth through investments and acquisitions is dependent upon the Group's ability to identify suitable acquisition targets, conduct appropriate due diligence and negotiate transactions on favourable terms. There is a risk that the Group may not be able to find attractive acquisition opportunities on favourable terms or at all. The Group may also face competition for attractive acquisition targets, which may increase the price of the target. Additionally, there is a risk that the Group may fail to correctly value its acquired businesses, holdings and properties, which in turn may lead to the Group paying more than the worth of such businesses, holdings or properties. Any such failure may subsequently lead to significant write-downs in the value of the acquired asset, which would have an adverse effect on the Group's result and financial position. The disposal of assets, such as a property, a property owning entity or holdings in such entities, could also have a significant negative effect on the Group's cash flow if such assets are sold at a lower price than expected or if the market value of the assets decreases. In turn, this could negatively affect the Group's business, earnings and financial position.

Furthermore, real estate projects and transactions involve, for instance, uncertainties regarding the management of tenants, unexpected costs with respect to environmental clean-up, rebuilding and related handling of technical problems, decisions from authorities and the emergence of disputes relating to the acquisition or the condition of the property. There is a risk that such uncertainties will lead to delays in projects or increased or unexpected costs. In turn, this could have a material negative impact on the Group's operations, earnings and financial position. Also, see the risk factor "*Project risks*" above.

Risks relating to joint ventures and other co-operations

Certain of the Group's current operations are carried out in joint ventures and other co-operations, such as in accordance with certain shareholders' agreements. The Group has entered into joint venture agreements and other shareholders' agreements with different parties, the most material agreement being with Offentliga Nordic Property Holding Srl ("**ONP**"), Vivsk AB ("**Vivsk**"), Offentliga Hus Holding and Offentliga Hus Norden regarding Offentliga Hus Holding. Vivsk, a subsidiary of the Company, holds 50 per cent. of the shares in Offentliga Hus Holding and the remaining 50 per cent. is held by ONP. Offentliga Hus Holding in turn holds 100 per cent. of the shares in Offentliga Hus Norden. According to the joint venture agreement, Vivsk and ONP have agreed that their respective rights as shareholders in Offentliga Hus Holding, as well as the business of Offentliga Hus Norden, shall be conducted in accordance with the joint venture agreement.

Furthermore, Vivsk has entered into a shareholders' agreement with Genova Sicklan Holding AB ("**Genova**") regarding the development of the real property Nacka Sicklan 386:6 (the "**Property**"). The Property is currently owned by Konkret Fastighetsutveckling i Nacka AB, a company wholly owned by GenovaFastator, which is an associated entity of the Company. The shareholders' agreement states that the operational part of the project shall be handled and financed by Genova or the operating net from the Property. Furthermore, Vivsk and Genova may not sell the shares in GenovaFastator to external parties, without the consent from one another, although Vivsk has the option to acquire the shares in GenovaFastator from Genova under certain conditions.

The Group's ability to develop existing or initiate new joint ventures or co-operations could affect the possibility to complete planned or commenced investments or carry out or new investments. Accordingly, there is a risk that such joint ventures and co-operations cannot be completed or that they develop on terms that are disadvantageous to the Group. In turn, this could result in the Group's investments being delayed, that the investments cannot be financed or could only be completed with reduced profitability or loss. Thus, if the Group is unable to initiate new, or develop existing, co-operations on favourable terms or at all, the Group's business, earnings and financial position would be adversely affected.

Furthermore, current and future joint venture partners or other business partners may have different approaches with respect to each joint venture or co-operation and thus, there is a risk that the Group may be unable to reach agreement with such partners. In the event of disagreements between the Group and any joint venture partner or other business partner, the Group may fail to exit the joint venture or co-operation at an acceptable price or at all. Such partners may also be subject to changes in control that may affect their ability to continue the partnerships. The Group's current and

future partners may also face financial difficulties, which may prevent such partner from supporting the operations of, or investing further capital in, the respective joint venture or co-operation. Consequently, there is a risk that any material disagreements with joint venture partners or other business partners and changes in control and/or financial difficulties of such partners could have a material negative impact on the Group's business, earnings and financial position.

Risks relating to the Group's investments in and co-operations with associated entities

A part of the Group's investments is in its associated entities. Consequently, the Group is dependent on current and future partners in respect of its associated entities, as the Group does not control such associated entities. There is a risk that such dependency and the lack of ownership may result in reduced flexibility to participate in and direct the activities in such associated entities, for example, with respect to acquisitions, disposals and investments carried out by such companies, including investments in and disposals of properties in the associated entities.

Consequently, should the Group's associated entities not cooperate with the Group and/or develop in a manner that is undesirable for the Group there is a risk that the Group will not be able to participate in and direct the activities in such associated entities in a way advantageous to the Group. In turn, this could have a negative impact on the Group's business, earnings and financial position.

Risks relating to changes in the value of properties within the Group

The Company invests in property owning entities. Such property owning entities hold properties within the segments of commercial real estate, industrial real estate and residential real estate. The Company itself directly owns six land properties (Sw. *markfastigheter*) and one commercial property (Sw. *handelsfastighet*). The properties owned by the Company are reported at fair value in the Group's consolidated balance sheet and with depreciation in the profit and loss account. The same method applies for other investment properties (Sw. *förvaltningsfastigheter*) within the Group. Different factors may cause the Group to write down the fair value of its properties, which could have an adverse effect on the Group's result and financial position.

Value of properties are affected by a number of factors, including property specific factors, such as rent levels, occupancy ratio and operative expenses, and as well market specific factors, such as macroeconomic effects, general economic trends, growth, the rate of production of new premises and interest rates. As well competition from other property owners, or the perceptions of prospective buyers or tenants of the attractiveness, convenience and safety of the properties may affect the value of properties.

If the value of the properties decreases, causing the Group to write down the value of them, it would have a negative impact on the Group's possibilities to dispose of its properties without incurring losses, which would negatively affect the Group's business, earnings and financial position.

Risks relating to the dependency on key individuals

The Company has a relatively small organisation, which means dependency on individual key employees and board members. As at 30 June 2018, the Company had five employees. The future development of the Group is highly dependent on the knowledge, experience and commitment of its key employees, board members and other senior executives. These persons also have comprehensive knowledge of the Group and the industry in general. For that reason, it is important for the Group's business and future development that it is able to retain, and where necessary, also attract and recruit, qualified employees, board members and senior executives. There is a risk that the Group may not succeed in retaining or recruiting such persons in line with the growth of the Group's business, or it may fail to replace such persons who departs with qualified successors. The Group's efforts to recruit, retain or develop personnel may also result in additional expenses, which could affect the Group's profitability. Furthermore, there is a risk that one or several key employees could terminate their employment, or that qualified board members or senior executives leave the Group.

Consequently, changes in the organisation, for example due to employment terminations of qualified key employees, or board members or senior executives leaving the Group, including failure to retain or recruit such persons, would adversely affect the Group's business and profitability.

Risks relating to negative publicity

Reputational risk is the risk that an event or circumstance could adversely impact the Group's reputation among authorities, owners, employees, tenants, joint venture parties and other stakeholders, which in turn may result in loss of revenues for the Group. Accordingly, a positive reputation is crucial to the Group, its operations' and earnings' capacity. There is a risk that the Group's reputation would be damaged if the Company, a subsidiary or an associated entity, or any of their board members, senior executives or key employees were to act in a manner that conflict with the values represented by the Group, or if the Group's investments do not meet the market's expectations. Moreover, there is a risk that individual employees may not comply with policies and guidelines and as a result may cause any company within the Group to incur compliance costs and cause the Group reputational damage. Consequently, there is a risk that declines in reputation would have a material negative impact on the Group's business, earnings and financial position.

Risks relating to dependency on subsidiaries and associated entities

A significant part of the Group's assets and revenues relate to the Company's subsidiaries and associated entities. The Company holds few significant assets other than direct and indirect investments in its subsidiaries and associated entities. Accordingly, the Company 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 Company's subsidiaries and associated entities are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments or to make funds available for such payments. The ability of the Company's subsidiaries to make such payments to the Company is subject to, among other things, the availability of funds. In addition, subsidiaries and associated entities are permitted under certain circumstances, in accordance with the Terms and Conditions, 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 Company. Furthermore, agreements entered into by the Company'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 Company.

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

Ownership risks relating to Offentliga Hus Holding and Offentliga Hus Norden

In a press release issued on 14 June 2017, the Company announced that Offentliga Hus Holding and Offentliga Hus Norden (together "**Offentliga Hus**") are planning to conduct an initial public offering of the shares in Offentliga Hus, after which such shares shall be admitted to trading on a regulated or an unregulated market (the "**IPO**"). The aim is to conduct the IPO in 2019. Offentliga Hus currently accounts for a major part of the Group's revenues and cash flow.

Upon a successful IPO, the Company may no longer hold any shares in Offentliga Hus or only hold a limited amount of shares in Offentliga Hus. Even if the Group retains a holding in Offentliga Hus following an IPO, it may no longer be able to influence dividend policies or it may lose its ability to affect the amount of the Group's returns from such investment. Thus, the Group may not receive any or only limited revenues and cash flow from Offentliga Hus following an IPO, which may

have an adverse effect on the Groups' financial condition and results as well as its ability to meet its payment obligations.

If the Group divests its shares in Offentliga Hus, it would receive sales proceeds attributable to such divested shares. There is a risk that the Group is unable to reinvest such proceeds at a rate of return comparable to the revenues and cash flow attributable to Offentliga Hus prior to an IPO. Consequently, there is a risk that proceeds of a divestment of shares in Offentliga Hus may have to be reinvested in lower-yielding assets. Lower returns on investments would have a material negative impact on the Group's business, earnings and financial position.

Risks relating to inadequate insurance

The operations of the Group and its associated entities are subject to risks, such as claims from tenants, potential damage to the Group's or its associated entities' facilities and/or potential future environmental damage at properties belonging to the Group or its associated entities. The Group carries, among others, insurance in relation to usual losses and potential liability to third part claims. Certain types of losses and/or damages are normally not covered by insurance policies due to such losses being considered as impossible to insure, *e.g.*, losses resulting from the act of war and terrorism. Furthermore, a majority of the insurances of the Group and associated entities (*i.e.*, the insured amounts) are limited by specified maximum amounts per claim, series of injuries and specified insurance periods.

There is a risk that the Group's or the associated entities' insurance coverage is not sufficient to cover all losses or potential claims or that they will not be able to renew existing insurance cover on commercially reasonable terms or at all, which could affect the Group's and/or the associated entities' business and financial position.

Risks relating to disputes

The Group and its associated entities face the risk of legal proceedings in relation to their business. Accordingly, civil, administrative and criminal proceedings could potentially affect the Group and its associated entities. The Group and its associated entities will from time to time be involved in disputes within the course of their normal business operations. Large and complex disputes may be costly, time-consuming and disrupt normal business operations. The outcome of any legal proceeding may expose the Group and its associated entities to unexpected costs and losses, reputational and other non-financial consequences. Any unfavourable outcome of such proceedings could have a material negative impact on the Group's and/or the associated entities' business, earnings and financial position.

Political risks

Local authorities in Sweden have a strong position in planning and exploitation of land areas through their municipal plan monopoly (Sw. *planmonopol*). The municipal plan monopoly means that local authorities have the main responsibility for designing land and water use within their geographical authority according to the provisions in the Swedish Planning and Building Act (Sw. *plan- och bygglagen (2010:900)*). The act contains provisions on the planning of land, water and construction and obligates all local authorities to develop comprehensive planning for the municipality. Consequently, the real property owning entities are subject to political risks since the local municipalities have the municipal planning monopoly. Changes of power and the local opinion may affect the property owning entities' ability to exploit land in the different municipalities. Accordingly, if changes in the political environment would occur, there is a risk that it will have a material negative impact on the property owning entities', and ultimately the Group's business, earnings and financial position.

Regulatory risks

Environmental risks

The business of the Group is regulated and affected by different laws and regulations in Sweden. Such laws and regulations govern, among others, environment. There is a risk that current and previous activities have caused contamination to the Group's properties. The Group may also acquire properties or entities, which have conducted operations hazardous to the environment.

The Group's properties located in Sweden are subject to the rules of the Swedish Environmental Code (Sw. *miljöbalken*), according to which the business operator is responsible for the remediation of a contaminated property, *i.e.*, business operators within the meaning of the Environmental Code. If the business operator is unable to perform or pay for remediation of a contaminated property, the party who has acquired the property is responsible for the remediation, if the party knew of, or at the time ought to have discovered, the contaminations. This means that, under certain conditions, claims could be directed against the Group for environmental contamination in acquired properties. Furthermore, the Group may also divest properties and thus, there is a risk that claims could be directed against the Group for historical liabilities. Consequently, there is a risk that the Group will be charged for the cost for environmental remediation and that such responsibility may not fall within the scope of insurance coverage, which could have an adverse impact on the Group's business, earnings and financial position.

Furthermore, there is a risk that changed laws, regulations and requirements from authorities in the environmental area could result in increased costs for the property

owning entities with respect to cleaning-up or remediation regarding currently held or in the future acquired properties, as well as increased costs for carrying out planned real estate development projects as desired. In turn, this may negatively affect the Group's business, earnings and financial position.

Risks relating to new or amended legislation

The Group's business is regulated by and must be conducted in accordance with several laws and regulations, such as, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*), the Swedish Land Code (Sw. *jordabalken (1970:994)*), the Swedish Environmental Code (Sw. *miljöbalken*) and the Swedish Planning and Building Act (Sw. *plan- och bygglagen (2010:900)*). The Group's operations are conducted in accordance with the Group's interpretation of applicable laws and regulations and the Group carefully monitors the development of the regulatory environment in Sweden. There is a risk that the Group's interpretation of applicable laws, regulations and granted permits is incorrect or that these may be amended in the future.

Amendments or restatements of laws and regulations, leading to stricter requirements, or a development to a stricter implementation and application by the authorities of existing laws and regulations, may have negative implications for the Group. Furthermore, changes in such laws and regulations could be unpredictable and outside of the Group's ability to control and furthermore, may force the Group to incur significant compliance and other expenses or revise or stop some of its operations in order to comply with new laws or regulations.

Accordingly, new legislation or regulations or changes regarding the application of existing legislation or regulations, regarding matters applicable to the Group's operations could have an adverse effect on the Group's business, earnings and financial position.

Risks relating to permits and official decisions

In order to use and develop properties as intended, the Group and its property owning entities are dependent on official decisions and licenses. There is a risk that the relevant municipality will not adopt approvals and licences necessary for the projects of the property owning entities. In addition, decisions may also be appealed and, as a result thereof, delayed significantly. Should a property owning entity violate any granted permit there is also a risk that such permit will be suspended and/or that substantial fines will be imposed on the violating entity, including criminal liability. Furthermore, there is a risk that the Group in the future is not granted the permits needed or will not obtain the decisions necessary to conduct and develop its business in a desired manner. If any of the above risks would materialise, it could have a material negative impact on the Group's business, earnings and financial position.

Changes to taxation or the interpretation or application of tax laws could have an adverse effect on the Group's business, financial condition and results of operations

The tax rules and regulation in force, from time to time, in Sweden affect the operation of the Group and its associated entities. These rules include, for example, corporate tax, real estate tax, governmental or municipal taxes, and interest deductions.

Although the Group and its associated entities conduct their operations in accordance with their interpretation of the applicable tax rules and established practices and in accordance with advice from tax consultants, there is a risk that the Group's interpretation of applicable tax laws and regulations is incorrect or that such rules and regulations change, possibly with retroactive effect. The Group may also, from time to time, be subject to tax audits which may result in additional tax and fees to be payable. Accordingly, there is a risk that the Group's or its associated entities' past or current tax position may be challenged. Should tax authorities succeed with such claims, this could result in the Group or its associated entities being required to pay additional taxes, which could have a significant impact on the Group's tax burden, as well as a negative impact on the Group's financial position.

Furthermore, changes in the current tax legislation could have a significant impact on the Group's tax burden and thus, a negative impact on the Group's financial position.

In June 2018, the Swedish Government passed legislation regarding new interest deduction limitation rules. The rules will enter into force the first financial year that starts on or after 1 January 2019. Under the legislation, a general limitation for interest deductions in the corporate sector will apply by way of an EBITDA-rule under which net interest expenses, *i.e.*, the difference between the taxpayer's interest income and deductible interest expenses, should only be deductible up to 30 per cent. of the taxpayer's EBITDA for tax purposes. As an alternative rule, which can be applied instead of the EBITDA-rule, interest deductions of up to a threshold of SEK 5 million will always be deductible for tax purposes. In addition, it will be possible to offset a tax payer's net interest expenses against net interest income of an affiliated group company with which the company may exchange group contributions for tax purposes.

The legislation further states that interest costs may not for tax purposes be included in the tax basis value of certain assets, for example real property and land. Further, additional changes to the current interest deduction limitation rules for interest costs on loans between affiliated companies will apply. In summary, interest costs on loans to affiliated companies will only be deductible if the affiliated company is either a resident in the EEA, in a country with which Sweden has a concluded double tax

treaty or is subject to a tax rate of at least 10 per cent. on the interest income. However, no deduction is allowed if the primary reason for the debt is for the group to receive a substantial tax benefit.

The Group's properties are generally subject to state bodies exercising their right of expropriation or directing a compulsory purchase

Under certain circumstances, real properties of the Group may be subject to expropriation, for example to complete public works, redevelopment or infrastructure projects. Typically, compensation must be paid to the owner of the property. However, there can be no assurance that compensation in respect of any expropriation will be adequate in all circumstances. Such events could reduce the Group's rental income and/or the value of its property portfolio, which could have a material adverse effect on the Group's business, financial condition, prospects and results of operations.

Risks relating to potential changes to international accounting standards

The Group's operations are affected by the accounting rules that, from time to time, are applied in the jurisdictions where the Group conduct business, including for example IFRS and other international accounting standards. This means that the Group's accounting, financial reporting and internal control, may in the future be affected by and may have to be adapted to changed accounting rules or a changed application of such accounting rules. This could entail uncertainty regarding the Group's accounting, financial reporting and internal control and may affect the Group's accounted profit, balance sheet and equity, which could have a material negative impact on the Group's financial position.

Financing risks

Credit risks

The Group and its associated entities are exposed to the risk of not receiving payments for leased premises or properties. Except for credit risks in relation to clients, the Group is exposed to credit risks in relation to other counterparties. In particular, this involves credit risks in relation to subsidiaries and associated entities, which have been granted loans by companies in the Group. If these clients or counterparties cannot fulfil their obligations towards a company in the Group, there is a risk that it will have a material negative impact on the Group's business, earnings and financial position.

Liquidity risks

Liquidity risk is the risk that the Company and/or any company in the Group is unable to meet its payment obligations when they are due, because of shortage of available cash or cash equivalent assets, without a significant increase in the cost of

obtaining the funds. Should the Group's sources of financing prove to be insufficient, this would have a material negative impact on the Group's business, earnings and financial position.

Financing and refinancing risk

The Group may not be able to obtain access to financing or refinancing at all or only on unfavourable terms. The Group's operations are mainly financed by loans from external creditors, including market loans, such as bonds. For example, Offentliga Hus Norden has issued senior unsecured bonds of SEK 700 million, which will mature prior to the Bonds.

The availability of financing depends on factors such as the general availability of risk bearing capital and the Group's credit rating. In a situation where the Group is required to acquire capital and the Group fails to acquire sufficient new capital on favourable terms and conditions, or any capital at all, this could have an adverse impact on the Group's operating activities and its potential to fulfil its obligations under its credit agreements or otherwise, which would have a material negative impact on the Group's earnings and financial position.

A downturn in the general economic climate or disruptions in the capital and credit markets may result in decreased opportunities to refinance loans under the financing agreements and that the Group's access to financing becomes restricted. In case the Group is unable to obtain new financing or refinance existing facilities, or is only able to obtain such financing on unfavourable terms, it would have a material negative impact on the Group's business, earnings and financial position.

There is, furthermore, a risk that the Group may in the future in other ways breach its undertakings or financial obligations under its financing agreements, which could cause the creditors in question to terminate the agreements for immediate payment or to enforce security.

Interest-rate risks

Interest-rate risk refers to the risk that changes in interest rates will affect the Group's interest expenses. The Group is exposed to changes in interest rates payable by it on its funding costs as well as interest rates that are applicable to its other assets. In the longer term, changes in interest rates may have a material effect on the Group's earnings and cash flow. Should the prevailing interest-rate levels change and/or the Group fail to pay interest in the future, the Group's business, earnings and financial position could consequently be adversely impacted.

Currency risks

Currency fluctuations which occur in conjunction with transactions in foreign currency, which arise when the Group conducts purchases and sales in foreign

currency, and when assets and liabilities are held in foreign currencies may have an impact on the Company's earnings. The Group's functional currency is SEK. Thus, revenues and costs are primarily denominated in SEK. However, to the extent the Group have costs or revenues that are not denominated in SEK, the Group is exposed to unfavourable fluctuations in currency exchange rates, which may adversely affect the Group's operations, earnings and financial position.

Risks relating to the Bonds

Credit risk

An investment in the Bonds carries a credit risk relating to the Company and the Group. The investor's ability to receive payment under the Terms and Conditions is dependent upon the Company's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above.

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

There is no credit rating for the Company or the Bonds

Neither the Company nor the Bonds have a credit rating from an international credit rating institute. Even though a credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time, it indicates the credit agency's assessment of the Company's creditworthiness. As a result, investors need to make their own assessment on the Company's ability to fulfil their payment obligations in respect of the Bonds. Some investors, *e.g.*, financial institutions, may also be restricted of investing in bonds without a credit rating, which may have a negative impact on the liquidity of the Bonds.

Refinancing risk

The Company may be required to refinance certain or all of its outstanding debt, including the Bonds. The Company's ability to successfully refinance its debt obligations is dependent upon, for example, the conditions of the bank market, the capital markets and the Company's financial position at such time. The Company's access to financing sources may not be available on favourable terms, or at all. The Company's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Group's business, financial condition and

results of operations and on the Company's ability to repay amounts due under the Bonds.

Ability to comply with the Terms and Conditions

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

Interest rate risk

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

European Benchmarks Regulation

Following a number of major scandals, the process of the calculation of EURIBOR, LIBOR, STIBOR and other interest rate benchmarks have been subject of the legislator's attention. This has resulted in a number of legislative measures, whereof some have been implemented and others are going to be implemented. The most important initiative on the subject matter is the so-called "**Benchmarks Regulation**" (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmarks Regulation entered into force on 1 January 2018 and regulates the provision of a benchmark, contribution of input data for the purpose of determining a benchmark and the operation of benchmarks within the EU.

Since the Benchmarks Regulation has only been applicable for a limited period of time and certain provisions are still subject to transitional periods, the effects of the regulation cannot be fully assessed. There is a risk that the Benchmarks Regulation

may affect how interest rate benchmarks are calculated and developed. This in turn may give rise to increased volatility for some interest rate benchmarks. In addition, the increased administrative requirements and the associated regulatory risks may decrease the will of some parties to participate in the determination of interest rate benchmarks or to the fact that certain interest rate benchmarks will cease to be published. If this is the case for the interest rate benchmark applied to the Bonds, it could have an adverse effect on the holders.

Currency risk

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

Risk relating to listing of the Bonds

The Company intends to list the Bonds on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain, admitted to trading on another regulated market. If the Company has not listed the Bonds within 60 days from the first issue date, the Bonds are subject to prepayment at the option of each holder (put option), see further below "*Risks relating to put option*". The Company will use its best efforts to complete such listing within 30 days from the first issue date. After such listing, the Company will ensure that the Bonds continue being listed on Nasdaq Stockholm (or another regulated market, as applicable). However, there is a risk that the Bonds will not be admitted to trading.

Furthermore, if the Company fails to procure listing in time, there is a risk that investors holding Bonds on an investment savings account (Sw. *ISK or IS-konto*) will no longer be able to hold the Bonds on such account, which in turn could affect such investors' tax situation.

Liquidity risk and secondary market

Furthermore, even if securities, including the Bonds, are admitted to trading on Nasdaq Stockholm (or another regulated market, as the case may be), there is a risk

that trading in such securities may not occur. So, there is a risk that there will not be a liquid market for trading in the Bonds even if the Bonds are listed. This may result in that the holders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading on Nasdaq Stockholm (or another regulated market, as applicable).

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

The market price of the Bonds may be volatile

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

The Bonds may not be a suitable investment for all investors

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 material 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.

If an investor fails to meet any of the conditions enumerated above, or it is otherwise not possible to determine whether the Bonds are a suitable investment for the investor, there is a risk that the investor will not be able to bear losses in respect of the Bonds, that the investor will not have the necessary knowledge and experience to invest in the Bonds, and/or the Bonds will not be compatible with the investment objectives of the investor.

Dependency on subsidiaries and associated entities

A significant part of the Group's assets and revenues relate to the Company's subsidiaries and associated entities. The Company holds few significant assets other than direct and indirect investments in its subsidiaries and associated entities. Accordingly, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in such subsidiaries and entities within the Group to enable it to make payments under the Bonds.

The Company's subsidiaries and associated entities are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Company's subsidiaries and associated entities to make such payments to the Company is subject to, among other things, the availability of funds. Furthermore, subsidiaries and associated entities are permitted under certain circumstances, in accordance with the Terms and Conditions, 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 their possibility to fund the Company. Furthermore, agreements entered into by the Company'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 Company. Please also see the risk factor below, "*Structural subordination and insolvency of subsidiaries and associated entities*".

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

Structural subordination and insolvency of subsidiaries and associated entities

As mentioned above, a significant part of the Group's assets and revenues relate to the Company's subsidiaries and associated entities, which are legally separated

from the Company and whose ability to make payments to the Company is restricted by, among other things, the availability of funds, corporate and legal restrictions. In the event of insolvency, liquidation or a similar event relating to one of the Company's subsidiaries or associated entities, all creditors of such subsidiary or associated entity would be entitled to payment in full out of the assets of such subsidiary or associated entity before the Company, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries and associated entities, such as the SEK 700 million bond loan of Offentliga Hus Norden. Defaults by, or the insolvency of, certain subsidiaries or associated entities may result in the obligation of the Company to make payments under financial or performance guarantees in respect of such subsidiaries' or associated entities' obligations or the occurrence of cross defaults on certain borrowings of the Group. There is a risk that the Company and its assets would not be protected from any actions by the creditors of a subsidiary or associated entity, whether under bankruptcy law, by contract or otherwise.

The Transaction Security may be insufficient

The Company's obligations under the Bonds will be secured by the Transaction Security (as defined in the Terms and Conditions).

The Transaction Security may prove to be insufficient to cover the Company's payment obligations under the Bonds, and thus an investor may forfeit interest payable on, and the principal amount of, the Bonds in whole or in part, or otherwise. Furthermore, the Transaction Security may be subject to change during the maturity of the Bonds, for example, the Company's shares in Offentliga Hus may be sold. There is a risk that the pledged assets will not be sufficient for the holders if the Transaction Security should be enforced. The subsidiary's outstanding obligations towards its contracting parties must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for the holders. As a result, the holders may not recover full or any value in the case of an enforcement of the Transaction Security. Moreover, if the Company issues additional Bonds, the security position of the current holders may be impaired.

If the proceeds from an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the holders will only have an unsecured claim against the remaining assets (if any).

The Transaction Security may be unenforceable or enforcement may be delayed

The enforceability of the Transaction Security may be subject to a certain degree of uncertainty. According to Swedish bankruptcy laws, a transaction having a detrimental effect for the creditors of a company, may be revoked if the transaction was completed during a specific time period before the relevant company entered

into bankruptcy. The mandatory Swedish bankruptcy laws may therefore, under certain circumstances, require that the security granted to secure the Bonds shall be recovered to the bankrupt's estate of the relevant company.

Moreover, Swedish law also requires that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party or the security provider. The Transaction Security may not be perfected if the security agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of any such security. Such failure may result in the invalidity of the relevant Transaction Security or adversely affect the priority of such security interest in favour of third parties.

If the Company becomes incapable of making repayments under the Bonds and a court renders a judgment that the Transaction Security is unenforceable, the holders may find it difficult or impossible to recover the amounts owed to them under the Bonds. Therefore, there is a risk that the Transaction Security could be ineffective in respect of any of the Company's obligations under the Bonds in the event the Company becomes insolvent.

Furthermore, subsidiaries and/or associated entities to Pledged Companies (as defined in the Terms and Conditions) are not wholly owned by the Company. This may impair the ability to fully realise the value in connection with an enforcement of the Transaction Security.

In addition, any enforcement may be delayed due to any inability to sell the security assets in a timely and efficient manner.

Security over assets granted to third parties

The Group has and may, subject to certain limitations, incur additional financial indebtedness and in connection therewith provide security and/or guarantees for such indebtedness. In particular, the Terms and Conditions of the Bonds do not restrict the incurrence of debt or security for such debt in the Group except in respect of the Company and Viskä. Consequently, an enforcement of material security provided under any such secured obligations would have a material negative effect on the value of the Group's assets, the Group's operations and the holders' possibility to claim recovery under the Bonds. In addition, in the event of bankruptcy, restructuring or winding-up of the Company, the holders will be subordinated in right of payment out of the assets being subject to security.

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

Majority owner

The Company's largest shareholder is Mats Lundberg (via indirect holdings). As at 30 September 2018, Mats Lundberg holds 31.98 per cent. of the share capital and the votes in the Company. Furthermore, as at 30 September 2018, Joachim Kuylenstierna (via indirect holdings) holds 30.41 per cent. of the share capital and the votes in the Company. Accordingly, each one of Mats Lundberg and Joachim Kuylenstierna has significant power to influence matters submitted to a vote of shareholders. To the extent matters presented to the Company's shareholders require approval of a particular percentage of shares represented at a meeting of shareholders or of a super majority of outstanding shares, each one of Mats Lundberg and Joachim Kuylenstierna, or the two of them acting together, may be able to significantly influence the outcome of the vote.

Furthermore, Mats Lundberg and Joachim Kuylenstierna may also have an interest in pursuing acquisitions, divestments, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the holders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a material negative impact on the Group's operations, earnings and financial position.

Risks relating to early redemption

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

Risks relating to put option

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each holder (put option) if one or more Persons, not being a main shareholder (or an affiliate thereof), acting in concert, acquire control, directly or indirectly, over more than fifty (50) per cent. of the voting shares of the Company, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Company. Furthermore, the Bonds are subject to put option if the Bonds issued in the Initial Bond Issue have not been admitted to trading within sixty (60) calendar days from the First Issue Date.

There is a risk that the Company in the event that a holder chooses to exercise a put option will not have sufficient funds available (*i.e.*, equal to a price at 101 per cent. of the Nominal Amount (plus accrued and unpaid interest)) at the time of such prepayment to make the required prepayment of the Bonds. If the Company is unable to prepay the Bonds upon a put option, this would adversely affect the Company, for example, by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all holders and not only those that choose to exercise the option.

Distributions

The Group is under the Terms and Conditions prohibited from making distributions, unless certain conditions and/or financial covenants are met. Furthermore, in accordance with the Terms and Conditions, the Company is, among others, entitled under certain circumstances, to make dividends and other distributions in relation to companies outside the Group. If any of these distributions are made, it could have an adverse effect on the Group's assets and on the position of the holders.

No action against the Company and holders' representation

As stipulated in the Terms and Conditions, the agent, Nordic Trustee & Agency AB, will represent all holders in all matters relating to the Bonds and the holders are prevented from taking actions on their own against the Company. So, individual holders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Company and may therefore lack effective remedies unless and until a requisite majority of the holders agree to take such action.

However, the possibility that a holder, in certain situations, could bring its own action against the Company (in breach of the Terms and Conditions) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against the Company. To enable the agent to represent holders in court, the holders may have to submit a written power of attorney for legal proceedings. The failure of all holders to submit such a power of attorney could negatively affect the legal proceedings.

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

Holders' meetings

The Terms and Conditions include certain provisions regarding holders' meetings. Such meetings may be held in order to resolve on matters relating to the holders'

interests. The Terms and Conditions allow for stated majorities to bind all holders, including holders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted holders' meeting. Consequently, the actions of the majority in such matters could impact a holder's rights in a manner that would be undesirable for some of the holders.

Restrictions on the transferability of the Bonds

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

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

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

Amended or new legislation

The Terms and Conditions are based on Swedish law in force at the first issue date of the Bonds. The impact of any possible future legislative measures or changes, or changes to administrative practices, may give rise to risks which are not possible to foresee. Accordingly, amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

Conflict of interests

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

conflicting interests. There is a risk that such conflicts of interest will adversely affect the Group's ability to renew or maintain existing financing or obtain further financing and in turn have a negative effect on the Group's operations, earnings and financial position.

THE BONDS IN BRIEF

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference, 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	Aktiebolaget Fastator (publ) (reg.no. 556678-6645).
Resolutions, authorisations and approvals	The Company’s board of directors resolved to issue the Bonds on 30 September 2018 and on 18 October 2018.
The Bonds offered.....	Up to SEK 700,000,000 in an aggregate principal amount of senior secured callable floating rate bonds due 2021. As at the date of this Prospectus, SEK 350,000,000 of the Bonds have been issued.
Initial Nominal Amount	The Bonds have a nominal amount of SEK 1,250,000 and the minimum permissible investment upon issuance of the Bonds is SEK 1,250,000.
Number of Bonds	Maximum 560. As at the date of this Prospectus, 280 Bonds have been issued.
ISIN.....	SE0011762129.
First Issue Date.....	26 October 2018.
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 rate equal to the sum of (i) 3 months STIBOR, plus (ii) 8.50 per cent. <i>per annum</i> .
Interest Payment Dates.....	Quarterly in arrears on 26 January, 26 April, 26 July and 26 October in each year, commencing on 26 January 2019. Interest will accrue from (but excluding) the First Issue Date.

Benchmark	STIBOR is regarded as a benchmark according to the Benchmarks Regulation. STIBOR is provided by the Swedish Bankers' Association (Sw. <i>Svenska Bankföreningen</i>). As at the date of this Prospectus, the Swedish Bankers' Association is not included in the register of administrators and benchmarks provided by ESMA in accordance with article 36 of the Benchmarks Regulation.
Final Redemption Date.....	26 October 2021.
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 3 years from the relevant due date for payment.
Status of the Bonds.....	The Bonds are denominated in SEK. The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and: <ul style="list-style-type: none"> • shall at all times rank <i>pari passu</i> with all other direct, general, unconditional and unsubordinated obligations of the Issuer, without any preference among them, except such obligations that are preferred by mandatory law and except as otherwise provided in the Finance Documents; and • are secured by the Transaction Security .
Use of Proceeds.....	The Issuer shall use the proceeds of the Bonds, <i>firstly</i> , towards the redemption of the Existing Bonds and, <i>secondly</i> , towards Permitted Transactions.

Security and guarantees

Security	As continuing security for the due and punctual fulfilment of the Issuers' obligations under the Finance Documents, the Issuer shall pledge and shall procure that Vivskä pledges to the Trustee and the Holders as first ranking security: <ul style="list-style-type: none"> • all their shares in Vivskä;
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	<ul style="list-style-type: none"> • all present and future money claims under the Shareholder Loans; • the Deposit Accounts; and • the Divestment Account.
	See Clause 7 (<i>Security</i>) of the Terms and Conditions.
Additional Security	<p>After the First Issue Date, the Issuer shall ensure that (within 20 banking days of each of its consolidated Financial Reports):</p> <ul style="list-style-type: none"> • the equity of the Pledged Companies; <i>plus</i> • the amount of any cash held on the Divestment Account or the Issuer's Deposit Account; <i>plus</i> • the Pledged Shareholder Loan Value, <p>is equal to or higher than 150 per cent. of the aggregate outstanding amount of the Bonds (taking into account any Subsequent Bonds, repayments and/or amortisations).</p>
	See Clause 7.3 of the Terms and Conditions.
Call Option	
Call Option.....	The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 13.3 (<i>Early voluntary redemption by the Issuer (call option)</i>) of the Terms and Conditions.
Call Option Amount.....	<p>Call Option Amount means:</p> <ul style="list-style-type: none"> • 106.375 per cent. of the Nominal Amount if the Call Option is exercised during the First Call Period; • 104.25 per cent. of the Nominal Amount if the Call Option is exercised on or after the date falling 18 months after the First Issue Date up to (but not including) the date falling 24 months after the First Issue Date; • 102.55 per cent. of the Nominal Amount if the Call Option is exercised on or after the date falling 24 months after the First Issue Date up to (but not including) the date falling 30 months after the First Issue Date;

- 100.85 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 33 months after the First Issue Date; and
- 100 per cent. of the Nominal Amount if the Call Option is exercised on or after the date falling 33 months after the First Issue Date up to (and including) the Final Redemption Date.

First Call Period The First Call Period means the period from (but excluding) the First Issue Date up to (but excluding) the date falling 18 months after the First Issue Date.

Put Option

Put Option Upon a Change of Control Event or Listing Failure Event occurring, each Holder shall have the right to request that all, but not 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 (plus accrued and unpaid interest) during a period of sixty (60) calendar days following the notice of a Change of Control Event or Listing Failure Event.

Change of Control Event..... A Change of Control Event 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 (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting rights of the Issuer, or (b) 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.

Listing Failure Event..... The occurrence of an event whereby Bonds issued in the Initial Bond Issue have not been admitted to trading within sixty (60) calendar days from the First Issue Date.

Covenants

Certain covenants	<p>The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, among others:</p> <ul style="list-style-type: none"> • restrictions on making distributions; • the Issuer shall list the Bonds within 12 months after the First Issue Date; • restrictions on making any material changes to the general nature of the business carried on by the Group; • restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); • a negative pledge, restricting the granting of security on Financial Indebtedness; • restrictions on the disposal of assets; and • restrictions on making investments. <p>Each of these covenants is subject to significant exceptions and qualifications. See the Terms and Conditions of the Bonds.</p>
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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 Securities Act or the securities laws of any other jurisdiction.
Listing	Application for listing of the Bonds on Nasdaq Stockholm will be filed in immediate connection with the SFSA's approval of this Prospectus. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 7 December 2018.
Trustee.....	Nordic Trustee & Agency AB (publ).
Governing law of the Bonds.	Swedish law.
Risk factors.....	Investing in the Bonds involves substantial risks and prospective investors should refer to section " <i>Risk</i>

Factors” for a discussion of certain factors that they should carefully consider before deciding to invest in the Bonds.

RESPONSIBLE FOR THE INFORMATION IN THE PROSPECTUS

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

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

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

Stockholm on 23 November 2018

Aktiebolaget Fastator (publ)

The board of directors

DESCRIPTION OF THE COMPANY AND THE GROUP

History and development of the Company

The Company's legal and commercial name is Aktiebolaget Fastator (publ) and it is domiciled in Stockholm municipality, Sweden, with registration number 556678-6645. The Company was formed on 14 March 2005 in Sweden and registered with the Swedish Companies Registration Office on 30 March 2005. The Company is a public limited liability company registered in Sweden and governed by Swedish law. The address to the head office of the Company is Nybrogatan 3, SE-114 34 Stockholm, Sweden, and the telephone number to the head office is +46 8 660 67 00.

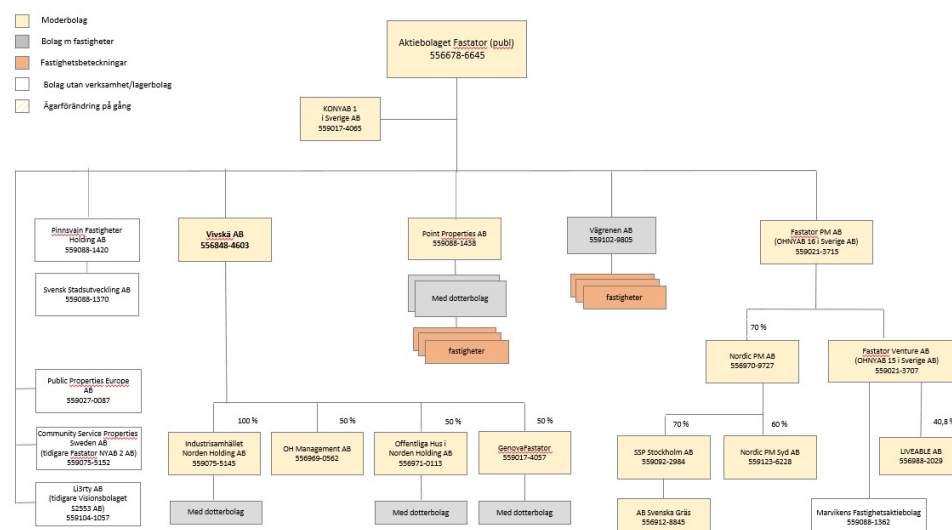
Business overview

The Company is the parent company in the Group. The Group consists of the parent company, wholly owned subsidiaries and associated entities (Sw. *intressebolag*). The Company's business focus is primarily on investments in real property owning entities within Sweden and secondarily on investments in entities conducting ancillary business such as property development, real estate management services and digitalisation in the real estate sector. The Company has a unique position in the investment universe as the sole listed Swedish investment company exclusively investing in real estate.

A significant portion of the Company's business is carried out through its subsidiaries and associated entities. Consequently, the Company is dependent upon its subsidiaries and associated entities, since a significant part of the Company's assets and revenues relate to such companies.

Organisational structure

The structure of the Group, including associated entities, is set out below.



Business model

As investment strategy, the Company primarily focuses on active investments, *i.e.*, the Company seeks an active ownership, in the longer term with partners that share a similar investment vision and corporate values, and where the Company adopts an active role in value creation. The Company's ownership stake typically amounts to between 10 and 50 per cent. with investments of up to SEK 50 million. Its holdings primarily consist of equity ownership. Although the Company's focus is on active investments, the Company is as well involved in financial investments and other investments, such as project financing and passive investments. The Company's strategic focus in the coming years, when acting as an active investor within real estate-related investments, is to concentrate its efforts on establishing new companies as wholly owned investments in the initial phase. In the following phase, the Company may turn to external partners, such as joint venture partners or other business partners, in order to increase further growth. Such partners may either fill a financial, passive, active or operative role. The Company does not have a defined exit strategy. However, an exit of a particular investment is continuously evaluated and will typically be considered once the investment has reached a mature phase. Depending on changes in the market in which the Company operates, the Company may divest, acquire, increase or decrease its holdings in order to maintain the most advantageous portfolio.

Investment portfolio

As of the date of this Prospectus, the Company's active investments comprise Offentliga Hus Holding (including Offentliga Hus Norden), Industrisamhället

Norden Holding AB (former Portvakten Industriefastigheter Holding AB) and Nordic PM. As described above, the Company as well holds financial investments. Thus, a significant part of the Company's investments are allocated in its associated entities through financial instruments. In addition, the Company provides shareholder loans to its associated entities and holds preference shares in such companies. In relation to project financing, the Group has entered into a shareholders' agreement with Genova regarding a real estate development project in Nacka, in which the parties share a long-term vision on developing a commercial property (owned by Konkret Fastighetsutveckling i Nacka AB, a company wholly owned by GenovaFastator) to a residential and commercial building. Passive investments in real estate assets include Liveable AB, a fintech company, which offers a digital platform for rental-related services, such as digital leasing contracts and insurance solutions. The Company acts as a strategic and financial partner to Liveable AB.

Certain of the Company's current operations are carried out through joint ventures and other co-operations (such as in accordance with certain shareholders' agreements) in associated entities. Consequently, the Company is dependent upon joint ventures and other co-operations, since a significant part of the Company's assets and revenues relate to such co-operations.

As of the date of this Prospectus, the Company was involved in two co-operations of significant importance for the Company, which are described below.

Joint venture agreement regarding Offentliga Hus Holding

Vivskä, a wholly owned subsidiary of the Company, has entered into a joint venture agreement with ONP, Offentliga Hus Holding and Offentliga Hus Norden regarding Offentliga Hus Holding. Vivskä holds 50 per cent. of the shares in Offentliga Hus Holding and the remaining 50 per cent. is held by ONP. Offentliga Hus Holding in turn holds 100 per cent. of the shares in Offentliga Hus Norden. According to the joint venture agreement, Vivskä and ONP have agreed that their respective rights as shareholders in Offentliga Hus Holding, as well as the business of Offentliga Hus Norden, shall be conducted in accordance with the joint venture agreement. The business of Offentliga Hus Holding (including its subsidiaries) focuses on the acquiring, owning and disposing of real estate assets in Sweden with buildings primarily let to public tenants.

Shareholders' agreement regarding GenovaFastator

Genova (an associated entity of the Company) and Vivskä (a wholly owned subsidiary of the Company) entered into a shareholders' agreement on 1 February 2016 relating to the ownership of the shares in GenovaFastator. The parties equally own all shares in GenovaFastator. Vivskä has divested all shares in Konkret Fastighetsutveckling i Nacka AB to GenovaFastator. Konkret Fastighetsutveckling i

Nacka AB owns the property Nacka Sicklaön 386:6. Through the shareholders' agreement, Genova and Vivskä intends to develop the property by constructing residential apartments and commercial premises.

Major shareholders

The Company's shares are denominated in SEK. As of the date of this Prospectus, the Company had an issued share capital of SEK 22,432,514.2 divided into 14,020,321 shares. Each share carries one vote and the shares have equal rights on distribution of income and capital. Since 24 September 2015, the Company's shares are traded on Nasdaq First North Stockholm, with trading symbol ABFAST and ISIN SE0009994429.

As at 30 September 2018, the ten largest shareholders of the Company were the following:

	Shareholder	Number of shares	Share capital	Voting rights
1.	Mats Invest AB	4,483,595	31.98 per cent.	31.98 per cent.
2.	Skälsö Intressenter AB	4,263,557	30.41 per cent.	30.41 per cent.
3.	Staffan Heiner Beckett	621,141	4.43 per cent.	4.43 per cent.
4.	Ulf Adelsohn	604,000	4.31 per cent.	4.31 per cent.
5.	Banque Internationale A Luxembourg	588,076	4.19 per cent.	4.19 per cent.
6.	Danica Pension	550,600	3.93 per cent.	3.93 per cent.
7.	AB Mats Thore Axel	457,046	3.26 per cent.	3.26 per cent.
8.	Nordnet Pensionsförsäkring AB	437,484	3.12 per cent.	3.12 per cent.
9.	Melbye Invest APS	321,527	2.29 per cent.	2.29 per cent.
10.	Fredrik Grevelius	156,782	1.12 per cent.	1.12 per cent.

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.

Related-party transactions

Other than customary transactions with related parties such as remuneration to key individuals, there have been no transactions with related parties.

Recent events

As of 2 October 2018, Industrisamhället Norden Holding AB is a wholly owned subsidiary of Vivskä. Vivskä and Efficax Förvaltning AB previously each held a 50

per cent. stake in Industrisamhället Norden Holding AB, and therefor controlled all of its shared jointly. The shareholder's agreement entered into between Vivskä and Efficax Förvaltning AB in October 2016 regarding Industrisamhället Norden Holding AB, will therefore, as a consequence of Vivskä's acquisition of all of the shares in Industrisamhället Norden Holding AB, be terminated.

In September 2018, Offentliga Hus Norden issued subsequent bonds of SEK 300 million under its maximum SEK 700 million bond loan, of which SEK 400 million was issued on 15 December 2017.

In July 2018, Offentliga Hus Norden, an associated entity of the Company, sold its student accommodations to the newly formed company Studentbostäder, a company solely focusing on student accommodations. Offentliga Hus Norden holds 45.77 per cent. of the shares in Studentbostäder.

Furthermore, in June 2018, Offentliga Hus Norden acquired real properties to a total cost of SEK 655 million, in order to let such properties to public sector tenants. Offentliga Hus Norden expects to access the newly acquired real properties in the third quarter of 2018.

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 tendencies

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report.

MANAGEMENT

The board of directors of the Company currently consists of six (6) members. The board of directors and the senior management may be contacted through the Company at its head office at Nybrogatan 3, 1, SE-114 34, Stockholm, Sweden. 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 of directors since 2015.

Current commitments: Chairman of the Norwegian-Swedish Chamber of Commerce and Auktoritet Inkasso AB and member of the board of directors of Cellcomb AB.

Carl Bildt, member of the board of directors since 2015.

Current commitments: Member of the board of trustees of International Crisis Group and member of the board of directors of Micro Systemation AB (publ).

Jacqueline Winberg, member of the board of directors since 2017.

Current commitments: Member of the board of directors of Avanza Bank AB and Avanza Bank Holding AB.

Mats Lundberg, member of the board of directors since 2011.

Current commitments: Member of the board of directors of Jyma Fastigheter i Malmö AB, S:t Petri AB and Fastighets AB Gärda.

Anders Mossberg, member of the board of directors since 2015.

Current commitments: Chairman of HemGaranti24 AB, member of the board of directors of Eaz pac AB and WoMo of SWF Enterprice LLC.

Staffan Heiner Beckett, member of the board of directors since 2018.

Current commitments: Chairman of Nord Fondkommission AB.

Management of the Company

Joachim Kuylenstierna, CEO since 2017.

Current commitments: N/A.

Svante Bengtsson, deputy CEO since 2018 and CFO since 2016.

Current commitments: N/A.

Conflicts of interests within administrative, management and control bodies

None of the members of the board of directors or the senior management of the Company has a private interest that may be in conflict with the interests of 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

Historical financial information

Particular financial information in the Company's annual reports for the financial years ended 31 December 2016 and 31 December 2017, including the Company's unaudited interim financial report for the period 1 January 2018 to 30 September 2018, has 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 31 December 2016 and 31 December 2017 have been prepared in accordance with the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*), RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*), International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (each as adopted by the European Union).

The Company's annual reports for the financial years ended 31 December 2016 and 31 December 2017 have been audited by the Company's auditor. The Company's unaudited interim financial report for the period 1 January 2018 to 30 September 2018 has not been audited by the Company's auditor. Other than the auditing of the Company's annual report for the financial ended 31 December 2016 and for the financial year ended 31 December 2017, the Company's auditor has not audited or reviewed any other parts of this Prospectus.

Information in the documents below, which is not 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.

Particular financial information in the Company's annual report for the financial year ended 31 December 2017¹ is incorporated in this Prospectus by reference. For the financial figures incorporated by reference, please refer to the pages set out below.²

<i>Reference</i>	<i>Pages</i>
Consolidated income statement	7
Consolidated statement of comprehensive income	8
Consolidated balance sheet	9–10
Consolidated statement of changes in equity	11

¹ http://www.fastator.se/wp-content/uploads/2016/07/Fastator_arsredovisning_2017.pdf.

² Please see the second part of the Company's annual report for the financial year ended 31 December 2017 starting with the headline "*Siffror*".

Consolidated statement of cash flow	12
Notes	18–47
Audit report	49–51

Particular financial information in the Company’s annual report for the financial year ended 31 December 2016³ is incorporated in this Prospectus by reference. For the financial figures incorporated by reference, please refer to the pages set out below.⁴

<i>Reference</i>	<i>Pages</i>
Consolidated income statement	7
Consolidated statement of comprehensive income	8
Consolidated balance sheet	9–10
Consolidated statement of changes in equity	11
Consolidated statement of cash flow	12
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Particular financial information in the Company’s unaudited interim financial report for the period 1 January 2018 to 30 September 2018⁵ is incorporated into this Prospectus by reference. For the financial figures incorporated by reference, please refer to the pages set out below.

<i>Reference</i>	<i>Pages</i>
Consolidated income statement	13
Consolidated statement of comprehensive income	14
Consolidated balance sheet	15
Consolidated statement of changes in equity	16
Consolidated statement of cash flow	17

³ <http://www.fastator.se/wp-content/uploads/2016/07/Fastator-arsredovisning-2016.pdf>.

⁴ Please see the second part of the Company’s annual report for the financial year ended 31 December 2016 starting with the headline “*Siffror*”.

⁵ <http://www.fastator.se/wp-content/uploads/2018/11/Fastator-publ-kvartalsrapport-juli-sept-2018.pdf>.

Auditing of the annual historical financial information

The Company's annual reports for the financial years ended 31 December 2016 and 31 December 2017 have been audited by Öhrlings PricewaterhouseCoopers AB, with Magnus Thorling as the auditor in charge. PricewaterhouseCoopers AB has been the Company's auditor since 2015. At the annual general meeting held on 3 May 2018, Öhrlings PricewaterhouseCoopers AB was re-elected as the Company's auditor, with Magnus Thorling as the responsible auditor, until the next general meeting 2019. Magnus Thorling is a member of FAR. The business address to Öhrlings PricewaterhouseCoopers AB is SE-113 97 Stockholm, Sweden.

The auditing of the Company's annual reports was conducted in accordance with ISA (International Standards on Auditing) and the audit reports were submitted without comments.

Age of the most recent financial information

The most recent financial information derives from the Company's consolidated annual report for the financial year ending on 31 December 2017, which was published on the Company's website on 10 April 2018.

Legal and arbitration proceedings

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 the issuance of the Bonds on 26 October 2018, 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.

OTHER INFORMATION

Clearing and settlement

The Bonds are connected to the account-based system of Euroclear Sweden AB. 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

No credit rating has been assigned to the Company or its debt securities.

Representation of the Holders

Nordic Trustee & Agency AB (publ) is acting as agent and security 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.

A Trustee 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 Trustee Agreement is available at the agent's office address (Norrländsgatan 23, SE-111 43 Stockholm). The rights and obligations of the agent are set forth in the Terms and Conditions.

Material agreements

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.

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 ending on 31 December 2017.
- The Company's consolidated annual report for the financial year ending on 31 December 2016.
- The Company's unaudited interim financial report for the period 1 January 2018 to 30 September 2018.
- This Prospectus.

The documents listed above are also available at the Company's website, fastator.se.

Interest of natural and legal persons involved in the Bond Issue

The Issuing Agent and the Joint Bookrunners and/or its 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 its 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.

Listing costs

The aggregate cost for the admission to trading of the Bonds is estimated to SEK 250,000.

TERMS AND CONDITIONS FOR THE BONDS

**TERMS AND CONDITIONS FOR
AKTIEBOLAGET FASTATOR (PUBL)
MAXIMUM SEK 700,000,000
SENIOR SECURED CALLABLE
BONDS 2018/2021
ISIN: SE0011762129**

First Issue Date: 26 October 2018

The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. 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, 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.

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**TERMS AND CONDITIONS FOR
AKTIEBOLAGET FASTATOR (PUBL)
MAXIMUM SEK 700,000,000
SENIOR SECURED CALLABLE BONDS
2018/2021
ISIN: SE0011762129**

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 Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its Bonds.

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

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

“**Affiliate**” means any 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.

“**Associated Entities**” means each entity in respect of which a Group Company from time to time directly or indirectly owns, or has direct or indirect control over, more than 20 per cent. but not more than 50 per cent. of the share capital or other right of ownership (Sw. *intresseföretag*).

“**Bond**” means debt instruments (Sw. *skuldförbindelser*), each for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the

Swedish Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions.

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

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

“**Calculation Principles**” means the principles for calculation of the Incurrence Test and the Maintenance Test set forth in Clause 14.3 (*Calculation Principles*).

“**Call Option Amount**” means:

- (a) 106.375 per cent. of the Nominal Amount if the call option is exercised during the First Call Period;
- (b) 104.25 per cent. of the Nominal Amount if the call option is exercised on or after the date falling 18 months after the First Issue Date up to (but not including) the date falling 24 months after the First Issue Date;
- (c) 102.55 per cent. of the Nominal Amount if the call option is exercised on or after the date falling 24 months after the First Issue Date up to (but not including) the date falling 30 months after the First Issue Date;
- (d) 100.85 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 33 months after the First Issue Date; or
- (e) 100 per cent. of the Nominal Amount if the call option is exercised on or after the date falling 33 months after the First Issue Date up to (and including) the Final Redemption Date.

“**Capital Gain**” means the total capital gain of the Group in respect of a disposal of shares or other assets *less* the higher of:

- (a) the book value of the shares or assets disposed of as determined by reference to the latest of:

- (i) if annual audited financial accounts have been published for the financial year falling prior to the disposal, the most recent annual audited financial accounts (as confirmed by an external market valuation in accordance with the Accounting Principles);
 - (ii) if annual audited financial accounts have not been published in respect of the financial year falling prior to the disposal, the most recent annual audited financial accounts (as confirmed by an external market valuation in accordance with the Accounting Principles), taking into account any acquisitions or disposals made by entity being subject to a disposal during the financial year preceding the disposal on a *pro forma* basis; and
 - (iii) if obtained during the financial year during which the disposal is made, an external market valuation in respect of such shares or asset made during the financial year in which the disposal is made; and
- (b) the cash value of the original consideration (including any deferred consideration) for the Group's acquisition of the shares or asset being subject to the disposal.

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

“Cash Divestment” means:

- (a) an IPO where the Group divests all or any part of its shares in a Material Investment;
- (b) following an IPO of a Material Investment, a sale of the Group's shares in such Material Investment pursuant to a public takeover bid (Sw. *offentligt uppköpserbjudande*); or
- (c) a sale of all or any part of the Group's shares in a Material Investment by private sale.

“Change of Control Event” 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 (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting rights of the Issuer, or (b) the right to, directly or indirectly,

appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“Compliance Certificate” means a certificate, in form and substance satisfactory to the Trustee, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it. If the Compliance Certificate is provided in connection with the publishing of a Financial Report, it shall include calculations as to compliance with the Maintenance Test and the Security Test and if the Compliance Certificate is provided in connection with an application of the Incurrence Test the Compliance Certificate shall include calculations and figures in respect of the Equity Ratio (in each case, calculated *pro forma* and in accordance with the Calculation Principles). If the Compliance Certificate is provided in connection with the publishing of a Financial Report, it may include a request for release of Transaction Security in respect of a Pledged Company in accordance with and subject to Clause 15.7.2.

“Controlled Entity” means each entity:

- (a) which is an Associated Entity or a Subsidiary of the Issuer; and
- (b) in respect of which the Issuer:
 - (i) directly or indirectly has the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to instruct payments of dividends up to the maximum amount permissible by law; or
 - (ii) receives arm’s length term return on investment by way of interest on Shareholder Loans.

“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, 101 23 Stockholm, Sweden).

“Deposit Account” means each of the Issuer’s and Vivskä’s respective bank accounts which have been pledged pursuant to the respective Deposit Account Pledge Agreements.

“Deposit Account Pledge Agreement” means each pledge agreement entered into between the Issuer or Vivskä (as applicable) and the Trustee (on behalf of itself and the Holders) in respect of a first priority pledge over

the respective Deposit Accounts (as specified in the relevant agreements) and all funds standing to the credit of each Deposit Account from time to time, granted in favour of the Trustee and the Holders (represented by the Trustee).

“**Divestment Account**” means the Issuer’s bank account which has been pledged under the Divestment Account Pledge Agreement.

“**Divestment Account Pledge Agreement**” means a pledge agreement entered into between the Issuer and the Trustee (on behalf of itself and the Holders) in respect of a first priority pledge over the Divestment Account and all funds standing to the credit of the Divestment Account from time to time, granted in favour of the Trustee and the Holders (represented by the Trustee).

“**Divestment Proceeds**” means, in respect of a Cash Divestment, the sum of:

- (a) the proceeds from the Cash Divestment, after deduction has been made for the transaction costs reasonably incurred in connection with the Cash Divestment; *plus*
- (b) any amount of shareholder loans repaid to the Group by a Material Investment in connection with the Cash Divestment; *minus*
- (c) the Capital Gain in respect the Cash Divestment,

which shall be transferred to the Divestment Account and, subject to compliance with the Maintenance Test, be applied in accordance with Clause 4 (*Use of proceeds*).

“**EBITDA**” means, in respect of the Reference Period, the profit of the Issuer and Controlled Entities from ordinary activities according to the latest Financial Report(s):

- (a) *before deducting* any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) *before deducting* any Net Finance Charges;
- (c) *before taking into account* any exceptional items which are not in line with the ordinary course of business;
- (d) *not including* any accrued interest owing to any Controlled Entity;
- (e) *before taking into account* any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);

- (f) *after adding back or deducting*, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (g) *after adding back or deducting*, as the case may be, the Group's share of the profits or losses of Controlled Entities which are not wholly-owned by the Group; and
- (h) *after adding back* any amount attributable to the amortisation, depreciation or impairment of assets of Controlled Entities.

"Equity" means the sum of the aggregate amount which in accordance with the Accounting Principles would be shown in the latest consolidated Financial Report of the Group as the shareholders' equity of the Group.

"Equity Ratio" means the ratio of Equity to Total Assets to be calculated in accordance with the Accounting Principles.

"Escrow Account" means a bank account of the Issuer, into which Net Proceeds will be transferred and which has been pledged in favour of the Trustee and the Holders (represented by the Trustee) under the Escrow Account Pledge Agreement.

"Escrow Account Pledge Agreement" means the pledge agreement entered into between the Issuer and the Trustee in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time, granted in favour of the Trustee and the Holders (represented by the Trustee).

"Event of Default" means an event or circumstance specified in Clause 16.1.

"Exchange Offer Cash Component" means, in respect of an Existing Holder, the sum of:

- (a) the nominal amount of the Roll-over Bonds delivered by such Existing Holder; *plus*
- (b) interest on the Roll-over Bonds delivered by such Existing Holder for the period beginning on (but excluding) the interest payment date of the Existing Bonds falling immediately prior to the First Issue Date and ending on (and including) the First Issue Date; *plus*
- (c) a premium of two point twenty five (2.25) per cent. of the nominal amount of the Roll-over Bonds delivered by such Existing Holder

to reflect the applicable call option price of the Existing Bonds;
minus

- (d) the Nominal Amount of the Bonds delivered to such Existing Holder.

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

“**Existing Bonds**” means the maximum SEK 500,000,000 senior secured callable bonds 2016/2019 with ISIN SE0008405831 issued by the Issuer.

“**Existing Bonds Redemption Account**” means a bank account of the Issuer, into which the Existing Bonds Redemption Amount will be transferred and which has been pledged in favour of Nordic Trustee & Agency AB (publ) and the Existing Holders (represented by Nordic Trustee & Agency AB (publ)).

“**Existing Bonds Redemption Amount**” means the sum of the following *times* 1.02:

- (a) the aggregate outstanding nominal amount of the Existing Bonds (excluding any Roll-over Bonds); *plus*
- (b) accrued interest under the Existing Bonds (excluding any Roll-over Bonds) payable on the redemption date of the Existing Bonds; *plus*
- (c) any prepayment premiums in respect of the redemption of the Existing Bonds (excluding any Roll-over Bonds).

“**Exit**” means:

- (a) an IPO where the Group divests all or any part of its shares in a Material Investment;
- (b) following an IPO of a Material Investment, a sale of the Group’s shares in such Material Investment pursuant to a public takeover bid (Sw. *offentligt uppköpserbjudande*); or
- (c) a sale of all or any part of the Group’s shares in Material Investment by private sale whereby the Group ceases to hold at least 15 per cent. of the shares in such Material Investment.

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

“**Finance Charges**” means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial

Indebtedness whether paid or payable (excluding capitalised interest, provided that all payments of such capitalised interest occur after the Final Redemption Date) by any Group Company according to the latest Financial Report(s) (calculated on a consolidated basis) without taking into account any Transaction Costs and/or any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

“Finance Documents” means these Terms and Conditions, the Trustee Agreement, the Transaction Security Documents and any other document designated to be a Finance Document by the Issuer and the Trustee.

“Financial Indebtedness” means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is treated as a finance lease in accordance with the Accounting Principles applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (not including receivables sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (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) any guarantee or other assurance against financial loss in respect of a type referred to in paragraphs (a) to (f) above.

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

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to paragraphs (a) and (b) of Clause 15.14.1.

“**First Call Period**” means the period from (but excluding) the First Issue Date up to (but excluding) the date falling 18 months after the First Issue Date.

“**First Issue Date**” means 26 October 2018.

“**First North Stockholm**” means the multilateral trading facility operated by Nasdaq Stockholm under the name “First North”.

“**Force Majeure Event**” has the meaning set forth in Clause 29.1.

“**Group**” means the Issuer and all the Subsidiaries from time to time.

“**Group Company**” means each member of the Group.

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

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clause 19 (*Holders’ Meeting*).

“**Incurrence Test**” has the meaning set forth in Clause 14.1 (*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 Nominal Amount**” has the meaning set forth in Clause 2.1.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 12.1 to 12.3.

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

“**Interest Payment Date**” means 26 January, 26 April, 26 July and 26 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 26 January 2019 and the last Interest Payment Date being the Final Redemption Date).

“**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) plus a margin of 8.50 per cent. *per annum*.

“**IPO**” means an initial public offering of the shares in a Material Investment, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a regulated market or unregulated market.

“**Issue Date**” means the First Issue Date and any subsequent date when the issuance of Subsequent Bonds takes place.

“**Issuer**” means Aktiebolaget Fastator (publ), a public limited liability company incorporated under the laws of Sweden with reg.no. 556678-6645.

“**Issuing Agent**” means Pareto Securities AB (reg.no. 556206-8956, P.O. Box 7415, 103 91 Stockholm, Sweden) or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Joint Bookrunners**” means Pareto Securities AB (reg.no. 556206-8956) and Swedbank AB (publ) (reg.no. 502017-7753).

“**Listing Failure**” means a situation where the Initial Bonds are not listed and admitted to trading on a Regulated Market within 60 calendar days of the First Issue Date.

“**Main Shareholder**” means a shareholder that holds directly or indirectly at least 25 per cent. of the shares in the Issuer on the First Issue Date.

“**Maintenance Test**” has the meaning set forth in Clause 14.2 (*Maintenance Test*).

“**Market Loan**” means any loan or other indebtedness where an entity issues commercial paper, certificates, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), provided

in each case that such instruments and securities are or can be subject to trade on a Regulated Market or 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 or willingness to perform and comply with its payment and other undertakings under the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

“**Material Group Company**” means:

- (a) the Issuer; and
- (b) each Subsidiary representing more than 10 per cent. of Total Assets on a consolidated basis according to the latest Financial Report.

“**Material Investment**” means:

- (a) Offentliga Hus Holding and/or Offentliga Hus Norden; or
- (b) any other Subsidiary or Associated Entity of the Issuer which represents 50 per cent. or more of Total Assets from time to time.

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

“**Net Finance Charges**” means, for the Reference Period, the Finance Charges according to the latest consolidated Financial Report, after deducting any interest paid in cash for the relevant period to any Controlled Entity and any interest income relating to cash and cash equivalent investments of the Controlled Entities.

“**Net Proceeds**” means:

- (a) in respect of the Initial Bond Issue, the cash proceeds from the Initial Bond issue which, after deduction has been made for (i) the Existing Bonds Redemption Amount and (ii) the Transaction Costs payable by the Issuer to the Issuing Agent and the Joint Bookrunners (if the Issuing Agent and/or the Joint Bookrunners have requested that their respective fees and costs shall be deducted), shall be transferred to the Escrow Account and be used in accordance with Clause 4 (Use of proceeds); and
- (b) in respect of any Subsequent Bond Issue, the proceeds after such Subsequent Bond Issue which, after deduction has been made for

any Transaction Costs, shall be transferred to the Escrow Account and be used in accordance with Clause 4 (Use of proceeds).

“**Nominal Amount**” means, in respect of each Bond, the Initial Nominal Amount *less* the amount by which that Bond has been redeemed pursuant to Clause 13.4 (*Equity Claw Back (call option)*).

“**Nordic PM**” means Nordic PM AB (reg.no. 556970-9727).

“**Nordic Region**” means Sweden, Norway, Finland, Denmark and Iceland.

“**Offentliga Hus Holding**” means Offentliga Hus i Norden Holding AB (reg.no. 556971-0113).

“**Offentliga Hus Norden**” means Offentliga Hus i Norden AB (reg.no. 556824-2696).

“**Permitted Basket**” means all such Financial Indebtedness described in paragraph (k) of the definition of Permitted Debt.

“**Permitted Debt**” means any Financial Indebtedness:

- (a) incurred under the Bonds (excluding Subsequent Bonds);
- (b) taken up from a Group Company;
- (c) related to any agreements under which a Group Company leases office space (Sw. *kontorshyresavtal*);
- (d) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
- (e) arising under any interest rate hedging transactions in the ordinary course of business or in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
- (f) incurred by the Issuer if such Financial Indebtedness:
 - (i) is incurred as a result of a Subsequent Bond Issue; and
 - (ii) meets the Incurrence Test (calculated *pro forma* including the Subsequent Bond Issue); and

- (iii) the Security Test is met immediately following such Subsequent Bond Issue; and
- (iv) no Event of Default is continuing or would result from:
 - (A) the expiry of a grace period, the giving of notice, the making of any determination (or any combination of the foregoing); or
 - (B) the Subsequent Bond Issue;
- (g) incurred by the Issuer under unsecured Market Loans if such Financial Indebtedness
 - (i) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents; and
 - (ii) meets the Incurrence Test on a *pro forma* basis;
 - (iii) has a final maturity date and, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date; and
 - (iv) no Event of Default is continuing or would result from:
 - (A) the expiry of a grace period, the giving of notice, the making of any determination (or any combination of the foregoing); or
 - (B) the Subsequent Bond Issue;
- (h) incurred under any Subordinated Loans;
- (i) incurred by the Issuer for the purpose of refinancing the Bonds provided that the net proceeds of such Financial Indebtedness shall be kept on an escrow account until such refinancing shall be made;
- (j) incurred under the guarantee set out in paragraph (f) of the definition of “Permitted Security”; or
- (k) not permitted by paragraphs (a) to (j) above, in an aggregate amount not at any time exceeding SEK 7,000,000 and incurred in the ordinary course of the Group’s business, including any financial leases.

“**Permitted Disposal**” means a disposal:

- (a) of shares or assets in a Material Investment or a direct or indirect Subsidiary of a Material Investment to another Group Company;

- (b) of shares or assets in a direct or indirect Subsidiary of a Material Investment to such Material Investment or another direct or indirect Subsidiary of such Material Investment;
- (c) of assets (not being shares) in a Material Investment or its direct Subsidiaries or shares or assets in an indirect Subsidiary of such Material Investment to a third party provided that:
 - (i) such disposal is carried out at arm's length on market terms and conditions customary for such transaction;
 - (ii) the disposal does not have a Material Adverse Effect;
 - (iii) the purchase price is paid in cash; and
 - (iv) the proceeds of such disposal is deposited to a Deposit Account pending application towards Permitted Transactions; or
- (d) of shares in a Material Investment or its direct Subsidiaries to a third party provided that:
 - (i) such disposal is carried out at arm's length on market terms and conditions customary for such transaction;
 - (ii) the disposal does not have a Material Adverse Effect;
 - (iii) the purchase price is paid in cash; and
 - (iv) such disposal is made:
 - (A) through issuance of new shares in the Material Investment (i.e. no disposal of existing shares) through a private placement and the Issuer directly or indirectly continues to hold at least 15 per cent. of the shares in such Material Investment;
 - (B) in connection with an IPO or private sale where the Issuer directly or indirectly continues to hold at least 15 per cent. of the shares in such Material Investment; or
 - (C) by way of a private sale or (following an IPO of a Material Investment) pursuant to a public take-over bid, in each case whereby all or substantially the

Group's shares in such Material Investment is subject to such disposal,

provided that any Divestment Proceeds shall be deposited to the Divestment Account pending application towards Permitted Transactions or prepayment of Bonds pursuant to Clause 13.4 (*Equity Claw Back (call option)*),

in each case, provided that the Security Test is met immediately following such disposal.

“Permitted Security” means any security or guarantee:

- (a) provided in accordance with the Finance Documents;
- (b) arising by operation of law or in the ordinary course of business (for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) provided in relation to any lease agreement entered into by a Group Company as set out in paragraph (c) in the definition of Permitted Debt;
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (e) provided in relation to paragraph (d) in the definition Permitted Debt or provided for interest rate hedging transactions set out in paragraph (e) of the definition Permitted Debt;
- (f) provided by Vivskä in the form of a parent guarantee (*Sw. moderbolagsborgen*) for the obligations of Konkret Fastighetsutveckling i Nacka AB, reg.no. 556872-0931, under a loan provided by Swedbank at an amount of SEK 14,043,750; or
- (g) provided in relation to the Permitted Basket.

“Permitted Transaction” means any investment, including any indirect investment by way of Shareholder Loan, in:

- (a) any existing Group Company or any Associated Entity (which shall not include Nordic PM or any of its direct or indirect Subsidiaries);
- (b) Nordic PM or any of its direct or indirect Subsidiaries, provided that the aggregate amount of such investments does not exceed SEK 20,000,000; or

- (c) an entity incorporated in the Nordic Region provided that:
- (i) such entity directly or indirectly owns real estate and where 75 per cent. of the value of the total assets of such entity are located within the Nordic Region; and
 - (ii) if Divestment Proceeds are applied towards such investment, such entity becomes a Controlled Entity following the completion of the investment; and
 - (iii) if Divestment Proceeds are applied towards such investment, such entity has positive EBITDA,

in each case provided that the Security Test is met immediately following such investment.

“**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.

“**Pledged Companies**” means:

- (a) Vivskä; and
- (b) after the First Issue Date, each direct Subsidiary or Associated Entity of the Issuer whose shares are pledged pursuant to an application of the Security Test.

“**Pledged Shareholder Loan Value**” means the aggregate equity value of the Shareholder Loans (taking into account any expected credit losses in accordance with IFRS) granted by the Issuer and pledged under a Shareholder Loans Pledge Agreement, provided that if the solidity (calculated on the same basis as Equity Ratio) of a debtor of a Shareholder Loan is less than 20 per cent., the Issuer’s equity value of such Shareholder Loan shall instead be determined by a reputable independent third party appraiser.

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

“**Record Date**” means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 17 (*Distribution of proceeds*), or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 13 (*Redemption and repurchase of the Bonds*).

“**Reference Date**” means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

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

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

“**Restricted Payment**” has the meaning set forth in Clause 15.1 (*Distributions*).

“**Roll-over Bonds**” has the meaning set forth in Clause 2.2.

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

“**Security Test**” means the requirements set out in Clause 7.3.

“**Share Pledge Agreement**” means each pledge agreement entered into by the Issuer or Vivskä (as applicable) (each as pledgor) and the Trustee (on behalf of itself and the Holders) in respect of first priority pledges of all shares held by the Issuer or Vivskä (as the case may be) in a Pledged Company, granted in favour of the Trustee and the Holders (represented by the Trustee).

“**Shareholder Loans**” means:

- (a) on the First Issue Date, existing shareholder loans (including all existing shareholder loans in relation to Offentliga Hus Holding or Offentliga Hus Norden) in the aggregate amount of SEK 166,163,000;
- (b) following the First Issue Date, each shareholder loan between the Issuer or Vivskä as creditor and any Subsidiary or any Associated

Entity as debtor made from proceeds from the Escrow Account, Divestment Account or a Deposit Account and which shall be subject to security under a Shareholder Loans Pledge Agreement; and

- (c) following the First Issue Date, any new shareholder loans between the Issuer or Vivskä as creditor and any Subsidiary or any Associated Entity as debtor which does not fall within paragraph (b) above and which at the Issuer's discretion may be subject to security under a Shareholder Loans Pledge Agreement.

“Shareholder Loans Pledge Agreement” means each pledge agreement entered into between the Issuer or Vivskä (each as pledgor) and the Trustee (acting on its own behalf and in its capacity as agent and security agent representing the Holders) regarding a first priority pledge of all the Issuer's or Vivskä's (as applicable) present and future money claims under the Shareholder Loans set out in paragraphs (a) and (b) in the definition of “Shareholder Loan” and, at the Issuer's discretion, paragraph (c) of that definition, granted in favour of the Trustee and the Holders (represented by the Trustee).

“STIBOR” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in 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 screen rate is available) which exceeds that Interest Period, as of around 11.00 a.m. on the Quotation Day;
- (c) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the

Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or

- (d) if no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant period; and

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

“Subordinated Loans” means any loan incurred by the Issuer or any of its Subsidiaries, if such loan (i) according to its terms and pursuant to a subordination agreement on terms and conditions satisfactory to the Trustee, is subordinated to the obligations of the Issuer under these Terms and Conditions, (ii) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date, and (iii) according to its terms yield only payment-in-kind interest.

“Subsequent Bond Issue” has the meaning set forth in Clause 2.2.

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

“Subsidiary” means an entity from time to time of which a person:

- (a) has direct or indirect control; or
- (b) owns directly or indirectly more than 50 per cent. of the share capital or other right of ownership.

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

“Transaction Costs” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) the Initial Bond Issue or a Subsequent Bond Issue and (ii) the listing of the Bonds.

“Transaction Security” means the security provided pursuant to the Transaction Security Documents.

“Transaction Security Documents” means each of:

- (a) the Share Pledge Agreements;
- (b) the Shareholder Loans Pledge Agreements;

- (c) the Escrow Account Pledge Agreement;
- (d) the Deposit Account Pledge Agreements; and
- (e) the Divestment Account Pledge Agreement.

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

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

“**Vivskä**” means Vivskä AB (reg.no. 556848-4603).

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clause 20 (*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 (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 Trustee or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS

- 2.1 The aggregate amount of the bond loan will be an amount of up to SEK 700,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,250,000 or full multiples thereof (the “**Initial Nominal Amount**”). The total nominal amount of the Initial Bonds is SEK 350,000,000 (the “**Initial Bond Issue**”). All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount. The ISIN for the Bonds is SE0011762129. The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,250,000.
- 2.2 The Initial Bonds may be paid in kind by delivery of Existing Bonds (“**Roll-over Bonds**”), at the option of each Existing Holder to roll-over one or more Existing Bonds into Bonds on the terms and conditions specified in a separate application form. Existing Holders delivering Roll-over Bonds will (if the Exchange Offer Cash Component is a positive number) receive or (if the Exchange Offer Cash Component is a negative number) pay, in cash, on or about the First Issue Date, an amount equal to the Exchange Offer Cash Component.
- 2.3 The Issuer may at one or more occasions issue additional Bonds (each such issue a “**Subsequent Bond Issue**”) amounting in total up to the difference of SEK 700,000,000 and the volume issued in the Initial Bond Issue provided that:
- (a) no prepayment of Bonds have been made pursuant to Clause 13.4 (Equity Claw Back (call option)) prior to such Subsequent Bond Issue;
 - (b) the Incurrence Test (calculated pro forma including such issue) is met;

- (c) the Security Test is met immediately following such Subsequent Bond Issue; and
- (d) no Event of Default is continuing or would result from:
 - (i) the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing); or
 - (ii) the issue of the Subsequent Bonds.

Subsequent Bonds shall benefit from and be subject to these Terms and Conditions and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Redemption Date shall apply also to Subsequent Bonds, which also otherwise shall have the same rights as the Initial Bonds. The price of Subsequent Bonds may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 700,000,000.

- 2.4 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.5 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.6 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds each subsequent Holder confirms such agreements.

3. STATUS OF THE BONDS

- 3.1 The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) *pari passu* without any preference among them and (ii) at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer except for obligations which are mandatorily preferred by law.
- 3.2 The Bonds are secured by the security provided pursuant to the Transaction Security Documents as specified under Clause 7 (*Security*).

4. USE OF PROCEEDS

- 4.1 The Net Proceeds from the Initial Bond Issue shall be applied:
- (a) *firstly*, towards the redemption in full of the Existing Bonds (including accrued interest and any prepayment premium but excluding any Roll-over Bonds); and
 - (b) *secondly*, towards Permitted Transactions.
- 4.2 Any Net Proceeds from any Subsequent Bond Issue shall be used for Permitted Transactions.
- 4.3 Any Divestment Proceeds shall be applied towards Permitted Transactions or prepayment of the Bonds pursuant to Clause 13.4 (*Equity Claw Back (call option)*).
- 4.4 Any proceeds from a Deposit Account shall be applied towards Permitted Transactions.

5. ESCROW OF PROCEEDS

- (a) The Issuer shall establish the Escrow Account prior to the First Issue Date. On the First Issue Date and on any subsequent Issue Date, the Issuing Agent shall transfer the Net Proceeds to the Escrow Account. For the purpose of securing that all actions and documents (as applicable) set forth in Clause 6 (*Conditions Precedent for Disbursements*) have been fulfilled before a disbursement of any proceeds standing to the credit of the Escrow Account and for the purpose of securing that the Net Proceeds of the Initial Bond Issue or any Subsequent Bond Issue will be used by the Issuer in accordance with Clause 4 (*Use of proceeds*), the Escrow Account will be pledged in favour of the Trustee and the Holders (represented by the Trustee).
- (b) The Issuer shall establish the Existing Bonds Redemption Account prior to the First Issue Date. On the First Issue Date, the Issuing Agent shall transfer an amount equal to or exceeding the Existing Bonds Redemption Amount to the Existing Bonds Redemption Account. For the purpose of securing the redemption of the Existing Bonds in full, the Existing Bonds Redemption Account will be pledged in favour of the Trustee and the Existing Holders (represented by the Trustee).

6. CONDITIONS PRECEDENT FOR DISBURSEMENTS

6.1 Conditions precedent for Initial Bonds

6.1.1 The Trustee's approval of disbursements of any part of the Net Proceeds of the Initial Bond Issue from the Escrow Account is subject to the following documents being received by the Trustee:

- (a) a copy of the certificate of registration and the articles of association of the Issuer and Vivskä;
- (b) a copy of a board resolution of each of the Issuer and Vivskä approving entering into the Finance Documents and the transactions set out therein;
- (c) copy of an unconditional and irrevocable call notice for the redemption of the Existing Bonds in full;
- (d) copies of the duly executed Finance Documents;
- (e) an agreed form Compliance Certificate;
- (f) evidence that the security set out in the Transaction Security Documents has been granted by the Issuer or Vivskä (as applicable) and either has been or will be perfected in accordance with the terms of the Transaction Security Documents; and
- (g) before each disbursement, evidence in the form of a funds flow showing that the proceeds to be released will be immediately applied in accordance with Clause 4 (*Use of proceeds*).

6.1.2 When the conditions precedent for disbursements set out in Clause 6.1.1 have been received by the Trustee, the Trustee shall release funds from the Escrow Account corresponding to the amount set out in the applicable funds flow by instructing the account bank.

6.2 Conditions precedent for Subsequent Bonds

6.2.1 The Trustee's approval of disbursements of any part of the Net Proceeds of any Subsequent Bond Issue from the Escrow Account is subject to the following documents being received by the Trustee:

- (a) a copy of a board resolution of the Issuer approving the Subsequent Bond Issue and resolving to enter into documents necessary in connection therewith;
- (b) prior to the Subsequent Bond Issue, a certificate from the Issuer confirming that:

- (i) the Incurrence Test (calculated *pro forma* including such Subsequent Bond Issue) is met;
- (ii) the Security Test is met immediately following such Subsequent Bond Issue; and
- (iii) no Event of Default is continuing or would result from:
 - (A) the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing); or
 - (B) the issue of the Subsequent Bond Issue; and
- (c) before each disbursement, evidence in the form of a funds flow showing that the proceeds to be released will be applied in accordance with Clause 4 (*Use of proceeds*).

6.2.2 When the conditions precedent for disbursements set out in Clause 6.2.1 have been received by the Trustee, the Trustee shall release funds from the Escrow Account corresponding to the amount set out in the applicable funds flow by instructing the account bank.

6.3 **Conditions precedent for disbursements from the Divestment Account and the Deposit Accounts**

6.3.1 The Trustee's approval of disbursements of any amount standing to the credit of the Divestment Account or any Deposit Account is subject to the following documents being received by the Trustee:

- (b) evidence in the form of a funds flow showing that the amount to be released will be applied in accordance with Use of Proceeds; and
- (c) a confirmation by an authorised representative of the Issuer that:
 - (i) the applicable investment criteria set out in the definition of "Permitted Transaction" will be met;
 - (ii) the Maintenance Test is met (taking into account the disbursement on a *pro forma* basis); and
 - (iii) the Security Test is met (taking into account the disbursement on a *pro forma* basis).

6.3.2 When the conditions precedent for disbursements set out in Clause 6.3.1 have been received by the Trustee, the Trustee shall release funds from the Divestment Account or Deposit Account (as applicable) corresponding to

the amount set out in the applicable funds flow by instructing the account bank.

6.4 **Reliance on documentation and evidence**

The Trustee may assume that the documentation and evidence delivered to it pursuant to Clauses 6.1 (*Conditions precedent for Initial Bonds*), 6.2 (*Conditions precedent for Subsequent Bonds*) and 6.3 (*Conditions Precedent for disbursements from the Divestment Account and the Deposit Accounts*) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Trustee does not have to verify or assess the contents of any such documentation or evidence. The Trustee does not have any obligation to review the documentation and evidence set out as conditions precedent from a legal or commercial perspective of the Holders.

7. **SECURITY**

7.1 As continuing security for the due and punctual fulfilment of the Issuer's obligations under the Finance Documents, the Issuer shall pledge and shall procure that Vivskä pledges to the Trustee and the Holders (represented by the Trustee) as first ranking security:

- (a) all their respective shares in the Pledged Companies (from time to time) in accordance with the respective Share Pledge Agreements;
- (b) all present and future money claims under the Shareholder Loans (from time to time) in accordance with the respective Shareholder Loans Pledge Agreements; and
- (c) the Deposit Accounts and the Divestment Account (including all funds standing to the credit of such accounts from time to time) in accordance with the respective Deposit Account Pledge Agreements and the Divestment Account Pledge Agreement.

7.2 The Trustee will, where applicable, hold the security created under the Transaction Security Documents on behalf of itself and the Holders in accordance with these Terms and Conditions and the Transaction Security Documents.

7.3 After the First Issue Date, the Issuer shall ensure that within twenty (20) Business Days of each of its Financial Reports:

- (a) the equity of the Pledged Companies (calculated on the same basis as Equity and as evidenced by such Financial Report); *plus*

- (b) the aggregate amount of cash standing to the credit of the Divestment Account or the Issuer's Deposit Account; *plus*
- (c) the Pledged Shareholder Loan Value,

is equal to or higher than 150 per cent. of the aggregate outstanding amount of the Bonds (taking into account any Subsequent Bonds and/or repayments and amortisations of the Bonds). If a Subsidiary or Associated Entity has been acquired or disposed of since the Reference Date in respect of which the latest consolidated Financial Report of the Group were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition or, as the case may be, disposal of that Subsidiary or Associated Entity.

- 7.4 No funds may be withdrawn or moved from the Deposit Accounts for as long as the Deposit Account Pledge Agreements are in force, except as set forth herein and in the Deposit Account Pledge Agreements. No funds may be withdrawn or moved from the Divestment Account for as long as the Divestment Account Pledge Agreement is in force, except as set forth herein and in the Divestment Account Pledge Agreement.
- 7.5 The Issuer shall ensure that the Transaction Security Documents and all documents relating thereto are duly executed in favour of the Holders and the Trustee (as represented by the Trustee) and that such documents are legally valid, perfected, enforceable and in full force and effect according to their terms. The Issuer shall execute and/or procure the execution of such further documentation as the Trustee may reasonably require in order for the Holders and the Trustee to at all times maintain the security position envisaged hereunder.
- 7.6 Except if otherwise decided by the Holders according to the procedures set out in Clauses 18 (*Decisions by Holders*), 19 (*Holdings' Meeting*) and 20 (*Written Procedure*), the Trustee is, without first having to obtain the Holders' consent, entitled to enter into binding agreements with the Issuer, the Subsidiaries, or third parties if it is, in the Trustee's sole discretion, necessary for the purpose of establishing, maintaining, altering, releasing or enforcing the security created (or to be created) under the Transaction Security Documents or for the purpose of settling the various Holders' relative rights to the security created under the Transaction Security Documents, respectively. The Trustee is entitled to take all measures available to it according to the Transaction Security Documents.

- 7.7 If the Bonds are declared due and payable according to Clause 16 (*Termination of the Bonds*) or following the Final Redemption Date, the Trustee is, without first having to obtain the Holders' consent, entitled to enforce the security created under the Transaction Security Documents, in such manner and under such conditions that the Trustee finds acceptable (if in accordance with the Transaction Security Documents, respectively).
- 7.8 If a Holders' Meeting has been convened, or a Written Procedure instigated, to decide on the termination of the Bonds and/or the enforcement of all or any of the security created under all or any of the Transaction Security Documents, the Trustee is obligated to take actions in accordance with the Holders' decision regarding the security created under the Transaction Security Documents. However, if the Bonds are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in these Terms and Conditions, the Trustee shall not enforce any of the security created under the Transaction Security Documents. If the Holders, without any prior initiative from the Trustee or the Issuer, have made a decision regarding termination of the Bonds and enforcement of any of the security created under the Transaction Security Documents in accordance with the procedures set out in Clauses 18 (*Decisions by Holders*), 19 (*Holders' Meeting*) and 20 (*Written Procedure*), the Trustee shall promptly declare the Bonds terminated and enforce the security created under the Transaction Security Documents. The Trustee is however not liable to take action if the Trustee considers cause for termination and/or acceleration not to be at hand, unless the instructing Holders in writing commit to holding the Trustee indemnified and, at the Trustee's own discretion, grant sufficient security for the obligation.
- 7.9 Funds that the Trustee receives (directly or indirectly) on behalf of the Holders in connection with the enforcement of any or all of the security created under the Transaction Security Documents constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate account on behalf of the Holders. The Trustee shall promptly arrange for payments of such funds in accordance with Clause 17 (*Distribution of proceeds*). If the Trustee deems it appropriate, it may, in accordance with Clause 7.10, instruct the CSD to arrange for payment to the Holders.
- 7.10 For the purpose of exercising the rights of the Holders and the Trustee under these Terms and Conditions and for the purpose of distributing any

funds originating from the enforcement of any security created under the Transaction Security Documents, the Issuer irrevocably authorises and empowers the Trustee to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Holders in accordance with Clause 7.9. To the extent permissible by law, the powers set out in this Clause 7.10 are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall immediately upon request by the Trustee provide the Trustee with any such documents, including a written power of attorney, which the Trustee deems necessary for the purpose of carrying out its duties under Clause 7.9 (including as required by the CSD in order for the CSD to accept such payment instructions). Especially, the Issuer shall, upon the Trustee's request, provide the Trustee with a written power of attorney empowering the Trustee to change the bank account registered with the CSD to a bank account in the name of the Trustee and to instruct the CSD to pay out funds originating from an enforcement in accordance with Clause 7.9 to the Holders through the CSD.

8. THE BONDS AND TRANSFERABILITY

- 8.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 8.2 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.
- 8.3 Upon a transfer of Bonds, any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the transferee.
- 8.4 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.
- 8.5 Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

- 8.6 The Bonds have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and the Issuer is under no obligation to arrange for registration of the Bonds under the Securities Act or under any other law or regulation.
- 8.7 The Bonds are not offered to and may not be subscribed by investors located in the United States except for “Qualified Institutional Buyers” (“**QIB**”) within the meaning of Rule 144A under the Securities Act. In the application form relating to the Bonds, each person applying for the Bonds must confirm whether it is a U.S. person as defined in Rule 902 of Regulation S under the Securities Act, and if it is a U.S. person it must confirm, *inter alia*, that it is a QIB.
- 8.8 Holders located in the United States are not permitted to transfer Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Holder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act, (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and (e) pursuant to any other available exemption from registration under the Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act.
- 8.9 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

9. BONDS IN BOOK-ENTRY FORM

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

- 9.2 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 Financial Instruments Accounts Act.
- 9.3 The Issuer (and the Trustee when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Trustee, the Issuer shall promptly obtain such information and provide it to the Trustee.
- 9.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Trustee does not otherwise obtain information from such debt register as contemplated under the Finance Documents, the Issuing Agent shall at the request of the Trustee obtain information from the debt register and provide it to the Trustee.
- 9.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Trustee, as notified by the Trustee, 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 Trustee or unless consent thereto is given by the Holders.
- 9.6 At the request of the Trustee, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Trustee.
- 9.7 The Issuer (and the Trustee when permitted under the CSD's applicable regulations) may use the information referred to in Clause 9.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

10. RIGHT TO ACT ON BEHALF OF A HOLDER

- 10.1 If any Person other than a Holder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation (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.
- 10.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Holder and may further delegate its right to represent the Holder by way of a further power of attorney.
- 10.3 The Trustee shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 10.1 and 10.2 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.

11. PAYMENTS IN RESPECT OF THE BONDS

- 11.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 11.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under the Finance Documents shall be deposited in a certain bank account; such deposits will be effectuated by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.

- 11.3 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 12.4 during such postponement.
- 11.4 If payment or repayment is made in accordance with this Clause 11, 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.
- 11.5 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.

12. INTEREST

- 12.1 The 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.
- 12.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 12.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 12.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at a rate which is 200 basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Trustee or the CSD, in which case the Interest Rate shall apply instead.

13. REDEMPTION AND REPURCHASE OF THE BONDS

13.1 Redemption at maturity

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

13.2 The Issuer's purchase of Bonds

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds. Bonds held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

13.3 Early voluntary redemption by the Issuer (call option)

13.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day falling after the First Issue Date, but before the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid Interest.

13.3.2 Redemption in accordance with Clause 13.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Trustee. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

13.4 Equity Claw Back (call option)

13.4.1 The Issuer may at one occasion, in connection with an Exit, repay up to 35 per cent. of the aggregate Initial Nominal Amount (provided that the aggregate Nominal Amount of the Bonds following such repurchase is equal to or higher than SEK 300,000,000), in which case all outstanding Bonds shall be partially repaid by way of reducing the Nominal Amount of each Bond *pro rata*. The repayment must occur on an Interest Payment Date within 180 days after such Exit and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Exit (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such Exit). The repayment per Bond shall equal the repaid

percentage of the outstanding Nominal Amount (rounded down to the nearest SEK 1.00) plus (i) a premium on the repaid amount as set forth in the Call Option Amount for the relevant period or, in respect of the First Call Period, the premium set forth in paragraph (b) of the definition of Call Option Amount and (ii) accrued but unpaid Interest on the repaid amount.

13.4.2 Partial repayment in accordance with Clause 13.4.1 above shall be made by the Issuer giving not less than 20 Business Days' notice and the repayment shall be made on the immediately following Interest Payment Date.

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

13.5.1 Upon a Change of Control Event or a Listing Failure occurring, each Holder shall have the right to request that all, but not 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 per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of 60 calendar days following a notice from the Issuer of the relevant event pursuant to paragraph (e) of Clause 15.14.1. The 60 calendar days' period may not start earlier than upon the occurrence of the Change of Control Event or the Listing Failure (as applicable).

13.5.2 The notice from the Issuer pursuant to paragraph (e) of Clause 15.14.1 shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph (e) of Clause 15.14.1. The repurchase date must fall no later than 20 Business Days after the end of the period referred to in Clause 13.5.1.

13.5.3 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 13.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 13.5 by virtue of the conflict.

13.5.4 Any Bonds repurchased by the Issuer pursuant to this Clause 13.5 must be cancelled.

14. FINANCIAL COVENANTS

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

14.1 Incurrence Test

14.1.1 The Incurrence Test shall be made at the times stipulated in these Terms and Conditions and calculated in accordance with the Calculation Principles. Any transaction which requires that the Incurrence Test is met may not be undertaken unless the Incurrence Test is met (including such transaction on a *pro forma* basis).

14.1.2 The Incurrence Test is met if the Equity Ratio is higher than forty (40) per cent.

14.2 Maintenance Test

14.2.1 The Issuer shall procure that the Maintenance Test is met on each Reference Date from and including 31 December 2018 and calculated in accordance with the Calculation Principles.

14.2.2 The Maintenance Test is met if:

- (a) the Equity Ratio is higher than 30 per cent.; and
- (b) Equity is equal to or higher than SEK 500,000,000; and
- (c) prior to an Exit, Cash and Cash Equivalents is equal to or exceed the lower of:
 - (i) six (6) months' Interest; or
 - (ii) the remaining Interest payments through and including the Final Redemption Date,

(assuming that the Interest Rate for the period from the relevant Reference Date to the date falling 6 months thereafter will be equal to the Interest Rate in effect on the test date), in each case excluding any Interest payable in respect of Bonds held by the Issuer; and

- (d) following an Exit:
 - (i) if the Interest Coverage Ratio is lower than 1.25:1, Cash and Cash Equivalents equal to or exceeding an amount equal to the remaining Interest through and including the Final Redemption Date (assuming that the Interest Rate for the period from the relevant test date to the Final Redemption Date will be equal to the Interest Rate in effect

on the relevant Reference Date), is in aggregate deposited on the Deposit Accounts and the Divestment Account; or

- (ii) if the Interest Coverage Ratio is equal to or higher than 1.25:1, Cash and Cash Equivalents equal to or exceeding an amount equal to the lower of:

- (A) 6 months' Interest; or

- (B) the remaining Interest payments through and including the Final Redemption Date,

(in each case assuming that the Interest Rate for the period from the relevant Reference Date to the date falling 6 months thereafter will be equal to the Interest Rate in effect on the relevant Reference Date) is in aggregate deposited on the Deposit Accounts and the Divestment Account,

in each case excluding any Interest payable under Bonds held by the Issuer.

- 14.2.3 For the avoidance of doubt, any amount standing to the credit of the Divestment Account or a Deposit Account may be applied in payment of any amount due under the Bonds.

14.3 Calculation Principles

- 14.3.1 The calculation of the Incurrence Test shall be made as per a testing date being the last date of the period covered by the most recently published Financial Report prior to the incurrence of the transaction which requires that the Incurrence Test is met, but calculated *pro forma* including the transaction which requires that the Incurrence Test is met.

- 14.3.2 The Maintenance Test shall be tested quarterly on the basis of the most recently published Financial Report for the period ending on the relevant Reference Date and be included in the Compliance Certificate delivered in connection therewith.

- 14.3.3 EBITDA in relation to a Reference Period shall for the purpose of the Maintenance Test be adjusted by:

- (a) including the operating profit before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as EBITDA) of a Controlled Entity (or attributable to a business or assets) acquired during the Reference Period for that part of the Reference Period prior to its becoming a Controlled Entity or (as the case may be) prior to the acquisition of the business or assets;

- (b) excluding the operating profit before interest, tax, depreciation, amortisation and impairment charges (calculated on the same basis as EBITDA) attributable to any Controlled Entity (or to any business or assets) disposed of during the Reference Period for that part of the Reference Period; and
- (c) deducting the amount of any Restricted Payment (which requires that the Incurrence Test is made) made after the last day of the Reference Period and the amount of the Restricted Payment in respect of which the Incurrence Test is made.

15. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 15.

15.1 Distributions

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

- (a) pay any dividend in respect of its shares;
- (b) repurchase any of its own shares;
- (c) redeem its share capital or other restricted equity with repayment to shareholders;
- (d) repay any Subordinated Loans or capitalized or accrued interest thereunder; or
- (e) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer

(paragraphs (a) to (e) each being 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:

- (i) by any Group Company if such Restricted Payment is made to another Group Company and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis; or

- (ii) from and including the financial year ended 31 December 2019, by the Issuer to its shareholders in the form of cash dividends, if:
 - (A) the Incurrence Test (including the Restricted Payment on a *pro forma* basis) is met; and
 - (B) the aggregate amount of such dividends in any financial year does not exceed 50 per cent. of the Group's cash flow from operating activities before depreciation, amortization, non-cash working capital and changes in current assets and liabilities in any financial year (excluding any Capital Gains) plus 50 per cent. of Capital Gains and excluding any exceptional, one-off, non-recurring or extraordinary items (other than Capital Gains).

15.2 Listing of Bonds

The Issuer shall ensure that:

- (a) without prejudice to Clause 13.5 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure*), the Initial Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market, in each case within 12 months of the First Issue Date; and
- (b) provided that the Initial Bonds have been admitted to trading, any Subsequent Bonds are listed on the relevant Regulated Market within sixty (60) days after the issuance of such Subsequent Bonds and with an intention to complete such listing within thirty (30) days after the issuance of such Subsequent Bonds (unless Subsequent Bonds are issued before the date falling twelve (12) months before the First Issue Date, in which case such Subsequent Bonds shall be listed within twelve (12) months after the First Issue Date),

and shall take all measures required to ensure that the Initial Bonds (and any Subsequent Bonds as applicable), once listed on a Regulated Market, continue being listed such Regulated Market for as long as any Bond is outstanding (however, taking into account the rules and regulations of that Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds)

and that, upon any Subsequent Bond Issue, the volume of Bonds listed on the relevant Regulated Market promptly, but not later than ten (10) Business Days after the relevant Issue Date, is increased accordingly.

15.3 **Nature of business and composition of board of directors and management**

The Issuer shall procure that no substantial change is made to:

- (a) the general nature of the business carried on by the Group as of the First Issue Date; and
- (b) the composition of any board of directors or the management of the Issuer or Vivskä,

if any such substantial change would have a Material Adverse Effect.

15.4 **Financial Indebtedness**

The Issuer shall not, and shall procure that Vivskä does not, incur any new, or maintain or prolong any existing, Financial Indebtedness, provided however that the Issuer and Vivskä have a right to incur, maintain or prolong Financial Indebtedness that constitute Permitted Debt.

15.5 **Loans out**

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

15.6 **Disposals of assets**

15.6.1 The Issuer shall not, and shall procure that no Group Company will, sell or otherwise dispose of shares in any Subsidiary or Associated Entity or of all or substantially all of its or that Subsidiary's or Associated Entity's assets, or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out on market terms and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

15.6.2 The Issuer shall procure that the net proceeds from a disposal of shares in a Pledged Company to any Person not being the Issuer or Vivskä immediately upon receipt by the Issuer or Vivskä is transferred to the relevant Deposit Account. The Trustee shall be obliged to release the security interest under the relevant Share Pledge Agreement as soon as reasonably practicable following the receipt of such net proceeds on the Deposit Account.

- 15.6.3 Notwithstanding any of the above under Clause 15.6.1 and 15.6.2, the Issuer shall not, and shall procure that no Group Company will, at any time:
- (a) dispose of a Pledged Company unless the Security Test is met immediately following such disposal; or
 - (b) dispose of any or all of its shares in a Material Investment and procure that its Material Investments does not dispose of any or all of its shares in direct or indirect Subsidiaries or all or substantially all of the value of its or its direct or indirect Subsidiaries' assets unless such disposal is a Permitted Disposal.
- 15.6.4 The Issuer shall notify the Trustee before any transaction is made in accordance with this Clause 15.6 and, upon request by the Trustee, provide the Trustee with any information relating to the transaction which the Trustee deems necessary (acting reasonably).

15.7 **Security**

- 15.7.1 The Issuer shall ensure that all shares in Pledged Companies, which from time to time are owned by the Issuer or Vivskä, and all Shareholder Loans, which from time to time are provided by the Issuer or Vivskä, are pledged in favour of the Trustee and the Holders (represented by the Trustee) as first ranking security in accordance with pledge agreements.
- 15.7.2 Notwithstanding Clause 15.7.1, the Issuer may request the release of Transaction Security in respect of a Pledged Company:
- (a) if made in connection with a disposal made in accordance with and subject to Clause 15.6 (*Disposals of assets*); or
 - (b) in connection with the delivery of a Compliance Certificate,
- in each case subject to:
- (i) the Security Test being met immediately following such release, as confirmed in writing to the Trustee by the Issuer's auditors; and
 - (ii) that no Event of Default is continuing or would result from (1) the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing or (2) the release,
- as confirmed by an authorised signatory of the Issuer.

15.8 **Repayment of Shareholder Loans**

The Issuer shall procure that no payments of principal under any Shareholder Loans are made unless such repayments are deposited on to a Deposit Account or, in relation to a Cash Divestment, the Divestment Account. The Trustee shall be obliged to release the security interest under the relevant Shareholder Loans Pledge Agreement as soon as reasonably practicable upon receipt of such repayments on the relevant Deposit Account or Divestment Account (as applicable).

15.9 **Negative pledge**

The Issuer shall not, and shall procure that Vivskä does not, provide, prolong or renew any security over any of its assets (present or future) to secure any loan or other indebtedness, provided however that the Issuer and Vivskä have a right to provide, prolong and renew any Permitted Security.

15.10 **Dealings with related parties**

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

15.11 **Insurance**

The Issuer shall, and shall procure that all other Group Companies and Associated Entities will, keep its properties insured to an extent which is customary for similar properties on the relevant geographical market with one or more reputable insurers. The insurance cover shall *inter alia* include full value insurance and third party liability insurances.

15.12 **Investment undertakings**

The Issuer shall ensure that other than Permitted Transactions carried out in accordance with these Terms and Conditions no other investments are made by a Group Company unless:

- (a) investments are made in shares in entities which directly or indirectly own real estate assets where 75 per cent. of the value of the total assets of each such entity are located within the Nordic Region;
- (b) investments are made in assets where after such investment the relevant entity directly or indirectly owns real estate assets where

75 per cent. of the value of the total assets of such entity are located within the Nordic Region;

- (c) investments are made in Nordic PM; or
- (d) investments are made in entities incorporated in the Nordic Region which operate on the Nordic market where 75 per cent. of the respective entities' sales are attributable to the Nordic Region and whose operations are real estate related provided such investments do not exceed SEK 10,000,000 in aggregate during the term of the Bonds.

15.13 **Compliance with laws etcetera**

The Issuer shall, and shall procure that each Group Company will:

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

15.14 **Information Undertakings**

15.14.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website not later than 4 months after the expiry of each financial year;
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website not later than 2 months after the expiry of each relevant interim period;

- (c) issue a Compliance Certificate to the Trustee in connection with publishing a Financial Report and in connection with a transaction which requires that the Incurrence Test is met;
 - (d) keep the latest version of these Terms and Conditions available on the website of the Group; and
 - (e) promptly notify the Trustee (and, as regards a Change of Control Event, a Listing Failure or a De-listing Event, the Holders) when the Issuer is or becomes aware of (i) the occurrence of a Change of Control Event, a Listing Failure or a De-listing Event; or (ii) that an Event of Default has occurred, and shall provide the Trustee with such further information as the Trustee may request (acting reasonably) following receipt of such notice (including, for the avoidance of doubt, calculations, figures and supporting documents in respect of the Maintenance Test).
- 15.14.2 When the Bonds have been listed on Nasdaq Stockholm (or any other Regulated Market), the reports referred to under paragraphs (a) and (b) of Clause 15.14.1 above shall, in addition, be prepared in accordance with IFRS and made 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).
- 15.14.3 The Issuer shall notify the Trustee of any transaction which is not within the ordinary course of business as referred to in Clause 15.6 (*Disposals of assets*) and the Issuer shall, upon request by the Trustee, provide the Trustee with (i) any information relating to such transaction which the Trustee deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Trustee may assume that any information provided by the Issuer is correct, and the Trustee shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Trustee is not responsible for assessing if the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under sub-paragraph (ii) above.

15.15 **Trustee Agreement**

15.15.1 The Issuer shall, in accordance with the Trustee Agreement:

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

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

15.16 **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.

16. **TERMINATION OF THE BONDS**

16.1 The Trustee is entitled, on behalf of the Holders, to 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 Trustee determines (such later date not falling later than 20 Business Days from the date on which the Trustee made such declaration), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is caused by administrative or technical error and payment is made within 5 Business Days of the due date;
- (b) **Other obligations:** The Issuer does not comply with the Finance Documents, in any other way than as set out under (a) above, provided that the Trustee has requested the Issuer in writing to remedy such failure or the Issuer has become aware of the non-compliance and the Issuer has not remedied the failure within 15 Business Days from such request or becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Trustee may declare the Bonds payable without such prior written request);

- (c) **Cross-acceleration:** Any Financial Indebtedness of a Material Group Company is not paid when due as extended by 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), provided that no Event of Default will occur under this paragraph (c) if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 5,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;
- (d) **Insolvency:**
 - (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors with a view to rescheduling its Financial Indebtedness; or
 - (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;
- (e) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries of the Issuer, solvent liquidations) in relation to:
 - (i) the suspension of payment, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
 - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
 - (iii) any analogous or step is taken in any jurisdiction in respect of any Material Group Company;

- (f) **Mergers and demergers:** A decision is made that any Material Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged;
- (g) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding SEK 5,000,000 and is not discharged within 60 calendar days;
- (h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable;
- (i) **Continuation of the business:** The Issuer or any other Material Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect; or
- (j) **De-listing event:** The situation where (i) the shares in the Issuer are not listed and admitted to trading on First North Stockholm, on Nasdaq Stockholm or any other Regulated Market; or (ii) trading in the shares in the Issuer on First North Stockholm, on Nasdaq Stockholm or any other Regulated Market is suspended for a period of 15 consecutive Business Days.

16.2 The Trustee may not terminate the Bonds in accordance with Clause 16.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under subparagraph (d)(ii) of Clause 16.1.

16.3 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.

- 16.4 The Issuer is obliged to inform the Trustee immediately if any circumstance of the type specified in Clause 16.1 should occur. Should the Trustee not receive such information, the Trustee is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Trustee does not have knowledge of such circumstance. The Trustee is under no obligations to make any investigations relating to the circumstances specified in Clause 16.1. The Issuer shall further, at the request of the Trustee, provide the Trustee with details of any circumstances referred to in Clause 16.1 and provide the Trustee with all documents that may be of significance for the application of this Clause 16.
- 16.5 The Issuer is only obliged to inform the Trustee according to Clause 16.4 if informing the Trustee would not conflict with any statute or the Issuer's registration contract with First North Stockholm or Nasdaq Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with First North Stockholm, Nasdaq Stockholm or otherwise, the Issuer shall however be obliged to either seek the approval from First North Stockholm or Nasdaq Stockholm (or any other Regulated Market, as applicable) or undertake other reasonable measures, including entering into a non-disclosure agreement with the Trustee, in order to be able to timely inform the Trustee according to Clause 16.4.
- 16.6 If the Trustee has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 16.1, the Trustee shall (i) notify, within 5 Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within 20 Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Trustee has decided not to terminate the Bonds, the Trustee shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 18 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Trustee to terminate the Bonds, the Trustee shall promptly declare the Bonds terminated. However, if the cause for termination according to the Trustee's appraisal has ceased before the termination, the Trustee shall not terminate the Bonds. The Trustee shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Trustee shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- 16.7 If the Holders, without any prior initiative to decision from the Trustee or the Issuer, have made a decision regarding termination in accordance with Clause 18 (*Decisions by Holders*), the Trustee shall promptly declare the Bonds terminated. The Trustee is however not liable to take action if the Trustee considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Trustee harmless from any loss or liability and, if requested by the Trustee in its discretion, grant sufficient security for such indemnity.
- 16.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 16, the Trustee shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 16.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 16 without relevant decision by the Trustee or following instructions from the Holders' pursuant to Clause 18 (*Decisions by Holders*).
- 16.10 If the Bonds are declared due and payable in accordance with this Clause 16, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Amount for the relevant period (plus accrued and unpaid Interest) or, if the Bonds are accelerated during the First Call Period, at the price set out in paragraph (b) of the definition of Call Option Amount (plus accrued and unpaid Interest).

17. DISTRIBUTION OF PROCEEDS

- 17.1 If the Bonds have been declared due and payable in accordance with Clause 16 (*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 Trustee:
- (a) *firstly*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee under any of the Finance Documents, (ii) other costs, expenses and indemnities relating to the termination of the Bonds, the enforcement of the security interest created under the Transaction Security Documents, or the protection of the Holders' rights under the Finance Documents, (iii) any non-reimbursed costs incurred by the Trustee for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Trustee in relation to a Holders' Meeting or a Written Procedure;

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

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 Holders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

- 17.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 17.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 17.1.
- 17.3 Funds that the Trustee receives (directly or indirectly) in connection with the termination of the Bonds and/or enforcement of any or all of the security created under the Transaction Security Documents constitute escrow funds according to the Escrow Funds Act and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Trustee shall arrange for payments of such funds in accordance with this Clause 17 as soon as reasonably practicable.
- 17.4 If the Issuer or the Trustee shall make any payment under this Clause 17, the Issuer or the Trustee, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 11.1 shall apply.

18. DECISIONS BY HOLDERS

- 18.1 A request by the Trustee for a decision by the Holders on a matter relating to the Finance Documents shall (at the option of the Trustee) be dealt with at a Holders' Meeting or by way of a Written Procedure.

- 18.2 Any request from the Issuer or a Holder (or Holders) representing at least 10 per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Trustee and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to the Finance Documents shall be directed to the Trustee and dealt with at a Holders' Meeting or by way of a Written Procedure, as determined by the Trustee. The Person requesting the decision may suggest the form for decision making, but if it is in the Trustee's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 18.3 The Trustee may refrain from convening a Holders' Meeting or instigating a Written Procedure if:
- (a) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Trustee that an approval will not be given; or
 - (b) the suggested decision is not in accordance with applicable laws.
- 18.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 10 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:
- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 20.3, in respect of a Written Procedure,
- may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- 18.5 The following matters shall require consent of Holders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 20.3:
- (a) waive a breach of or amend an undertaking set out in Clause 14 (*Special undertakings*);

- (b) except as expressly regulated elsewhere in these Terms and Conditions and the Transaction Security Documents, release any security, in whole or in part, provided under the Transaction Security Documents;
 - (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 18.5 or 16.6.
- 18.6 Any matter not covered by Clause 18.5 shall require the consent of Holders representing more than 50 per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 20.3. This includes, but is not limited to, any amendment to or waiver of the terms of any Finance Document that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraph (a), (b), (c) or (d) of Clause 21.1) or a termination of the Bonds.
- 18.7 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Holders' Meeting or the Trustee in a Written Procedure, will prevail. The chairman at a Holders' Meeting shall be appointed by the Holders in accordance with Clause 18.6.
- 18.8 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least 20 per cent. of the Adjusted Nominal Amount:
- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 18.9 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Trustee or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 19.1) or initiate a second Written Procedure (in accordance with Clause 20.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in

Clause 18.8 shall not apply to such second Holders' Meeting or Written Procedure.

- 18.10 Any decision which extends or increases the obligations of the Issuer or the Trustee, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Trustee, under the Finance Documents shall be subject to the Issuer's or the Trustee's consent, as appropriate.
- 18.11 A Holder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 18.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 18.13 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 18.14 All costs and expenses incurred by the Issuer or the Trustee for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Trustee, shall be paid by the Issuer.
- 18.15 If a decision shall be taken by the Holders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Trustee provide the Trustee 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 Trustee 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.
- 18.16 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Trustee, provided that a

failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Trustee, as applicable.

19. HOLDERS' MEETING

- 19.1 The Trustee shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Trustee shall send a copy of the notice to the Issuer.
- 19.2 Should the Issuer want to replace the Trustee, it may convene a Holders' Meeting in accordance with Clause 19.1 with a copy to the Trustee. After a request from the Holders pursuant to Clause 22.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 19.1.
- 19.3 The notice pursuant to Clause 19.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 19.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 19.5 If the Trustee, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Trustee, the meeting shall be opened by a Person appointed by the requesting Person.

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

20. WRITTEN PROCEDURE

- 20.1 The Trustee shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Trustee shall send a copy of the communication to the Issuer.
- 20.2 Should the Issuer want to replace the Trustee, it may send a communication in accordance with Clause 20.1 to each Holder with a copy to the Trustee.
- 20.3 A communication pursuant to Clause 20.1 shall include (i) each request for a decision by the Holders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 20.1), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication

pursuant to Clause 20.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- 20.4 If the Trustee, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 20.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clause 18.5 and 18.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 18.5 or 18.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

21. AMENDMENTS AND WAIVERS

- 21.1 The Issuer and the Trustee (acting on behalf of the Holders) may agree to amend the Finance Documents or waive any provision in a Finance Documents, provided that:
- (a) the Trustee is satisfied that such amendment or waiver is not detrimental to the interest of the Holders;
 - (b) the Trustee is satisfied that such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
 - (d) such amendment or waiver is necessary for the purpose of listing the Bonds on the corporate bond list of Nasdaq Stockholm, provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
 - (e) such amendment or waiver has been duly approved by the Holders in accordance with Clause 18 (*Decisions by Holders*).
- 21.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- 21.3 The Trustee shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 21.1, setting out the date from

which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Trustee. 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.

- 21.4 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Trustee, as the case may be.

22. APPOINTMENT AND REPLACEMENT OF THE TRUSTEE

22.1 Appointment of Trustee

- 22.1.1 By subscribing for Bonds, each initial Holder appoints the Trustee to act as its agent and security agent in all matters relating to the Bonds and the Finance Documents, and authorises the Trustee to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Holder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer including, for the avoidance of doubt, any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security. By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Trustee to act on its behalf.
- 22.1.2 Each Holder shall immediately upon request by the Trustee provide the Trustee with any such documents, including a written power of attorney, as the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Trustee is under no obligation to represent a Holder which does not comply with such request.
- 22.1.3 The Issuer shall promptly upon request provide the Trustee with any documents and other assistance, that the Trustee deems necessary (acting reasonably) for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 22.1.4 The Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Trustee's obligations as agent and security agent under the Finance

Documents are conditioned upon the due payment of such fees and indemnifications.

- 22.1.5 The Trustee may act as agent and/or security agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

22.2 **Duties of the Trustee**

- 22.2.1 The Trustee shall represent the Holders in accordance with the Finance Documents. However, the Trustee is not responsible for the validity, due execution, perfection or enforceability of the Finance Documents. The Trustee shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Trustee.
- 22.2.2 The Trustee 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 or any Group Company 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.
- 22.2.3 Upon request by a Holder, the Trustee shall promptly distribute to the Holders any information from such Holder which relates to the Bonds (at the discretion of the Trustee). The Trustee may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Trustee in doing so (including a reasonable fee for the work of the Trustee) before any such information is distributed. The Trustee shall upon request by a Holder disclose the identity of any other Holder who has consented to the Trustee in doing so.
- 22.2.4 When acting in accordance with the Finance Documents, the Trustee is always acting with binding effect on behalf of the Holders. The Trustee shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 22.2.5 The Trustee is entitled to delegate its duties to other professional parties, but the Trustee shall remain liable for the actions of such parties under the Finance Documents.
- 22.2.6 The Trustee shall treat all Holders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.

- 22.2.7 The Trustee shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Trustee may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 22.2.8 The Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Trustee 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 Trustee reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Trustee reasonably believes may be detrimental to the interests of the Holders under the Finance Documents or (iii) when the Trustee is to make a determination under the Finance Documents. Any compensation for damages or other recoveries received by the Trustee from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 17 (*Distribution of proceeds*).
- 22.2.9 The Trustee shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Trustee, as may be necessary in order for the Trustee to carry out its duties under the Finance Documents.
- 22.2.10 Notwithstanding any other provision of the Finance Documents to the contrary, the Trustee 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.
- 22.2.11 If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee 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.
- 22.2.12 The Trustee shall give a notice to the Holders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 22.2.11.

22.3 **Limited liability for the Trustee**

- 22.3.1 The Trustee will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Trustee shall never be responsible for indirect loss.
- 22.3.2 The Trustee shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts addressed to the Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 22.3.3 The Trustee shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Trustee to the Holders, provided that the Trustee 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 Trustee for that purpose.
- 22.3.4 The Trustee shall have no liability to the Holders for damage caused by the Trustee acting in accordance with instructions of the Holders given in accordance with Clause 18 (*Decisions by Holders*).
- 22.3.5 Any liability towards the Issuer which is incurred by the Trustee in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Holders under the Finance Documents.

22.4 **Replacement of the Trustee**

- 22.4.1 Subject to Clause 22.4.6, the Trustee may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Trustee at a Holders' Meeting convened by the retiring Trustee or by way of Written Procedure initiated by the retiring Trustee.
- 22.4.2 Subject to Clause 22.4.6, if the Trustee is insolvent or becomes subject to bankruptcy proceedings, the Trustee shall be deemed to resign as Trustee and the Issuer shall within 10 Business Days appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 22.4.3 A Holder (or Holders) 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 Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Trustee and appointing a new Trustee. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Trustee be dismissed and a new Trustee appointed.

- 22.4.4 If the Holders have not appointed a successor Trustee within 90 calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Trustee was dismissed through a decision by the Holders, the Issuer shall appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 22.4.5 The retiring Trustee shall, at its own cost, make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably request for the purposes of performing its functions as Trustee under the Finance Documents.
- 22.4.6 The Trustee's resignation or dismissal shall only take effect upon the appointment of a successor Trustee and acceptance by such successor Trustee of such appointment and the execution of all necessary documentation to effectively substitute the retiring Trustee.
- 22.4.7 Upon the appointment of a successor, the retiring Trustee shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Trustee. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Trustee.
- 22.4.8 In the event that there is a change of the Trustee in accordance with this Clause 22.4, the Issuer shall execute such documents and take such actions as the new Trustee may reasonably require for the purpose of vesting in such new Trustee the rights, powers and obligation of the Trustee and releasing the retiring Trustee from its further obligations under the Finance Documents. Unless the Issuer and the new Trustee agrees otherwise, the new Trustee shall be entitled to the same fees and the same indemnities as the retiring Trustee.

23. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 23.1 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.
- 23.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

24. APPOINTMENT AND REPLACEMENT OF THE CSD

- 24.1 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.
- 24.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the listing of the Bonds listed on the corporate bond list of Nasdaq Stockholm or any other Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

25. NO DIRECT ACTIONS BY HOLDERS

- 25.1 A Holder may not take any steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or a Subsidiary in relation to any of the liabilities of the Issuer or a Subsidiary under the Finance Documents. Such steps may only be taken by the Trustee.

- 25.2 Clause 25.1 shall not apply if the Trustee has been instructed by the Holders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 22.1.2), 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 Trustee under the Finance Documents or by any reason described in Clause 22.2.11, such failure must continue for at least 40 Business Days after notice pursuant to Clause 22.2.12 before a Holder may take any action referred to in Clause 25.1.
- 25.3 The provisions of Clause 25.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 13.5 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Holders.

26. TIME-BAR

- 26.1 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 3 years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been time-barred and has become void.
- 26.2 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 10 years with respect to the right to receive repayment of the principal of the Bonds, and of 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.

27. NOTICES AND PRESS RELEASES

27.1 Notices

27.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

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

27.1.2 Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (and, if between the Trustee 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 27.1.1 or, in case of letter, 3 Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 27.1.1 or, in case of email to the Trustee or the Issuer, when received in legible form by the email address specified in Clause 27.1.1.

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

27.2 Press releases

27.2.1 Any notice that the Issuer or the Trustee shall send to the Holders pursuant to Clauses 13.3, 13.5, 15.14.1 (e), 16.6, 17.4, 18.16, 19.1, 20.1, 21.3, 22.2.12 and 22.4.1 shall also be published by way of press release by the Issuer or the Trustee, as applicable.

27.2.2 In addition to Clause 27.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Trustee may send to the

Holder under these Terms and Conditions has not already been made public by way of a press release, the Trustee shall before it sends such information to the Holders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Trustee considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Holders, the Trustee shall be entitled to issue such press release.

28. LISTING

The Issuer has undertaken to list the Initial Bonds within twelve (12) months after the Issue Date, and any Subsequent Bonds within fifteen (15) Business Days after the relevant issue date, on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) in accordance with Clause 15.2 (*Listing of Bonds*). However, the Issuer will use its best efforts to list the Initial Bonds within thirty (30) calendar days from the Issue Date. Further, if the Bonds have not been listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) days after the First Issue Date, each Holder has a right of repayment (put option) of its Bonds in accordance with Clause 13.5 (*Mandatory repurchase due to a Change of Control Event, a De-listing Event or a Listing Failure (put option)*)).

29. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 29.1 Neither the Trustee 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 Trustee or the Issuing Agent itself takes such measures, or is subject to such measures.
- 29.2 The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 29.3 Should a Force Majeure Event arise which prevents the Trustee or the Issuing Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.

- 29.4 The provisions in this Clause 28 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

30. GOVERNING LAW AND JURISDICTION

- 30.1 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.
- 30.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 30.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 30.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Trustee (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.
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ADDRESSES**Company and Issuer**

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