

# SLÄTTÖ

## Slättö Value Add I AB (publ)

relating to the listing of

SEK 500,000,000 Senior Unsecured Floating Rate Bonds due 2025

ISIN: SE0015194147

Joint Bookrunners



Prospectus dated 24 March 2021 and valid up until 24 March 2022. The Issuer's obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no long valid

## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Slättö Value Add I AB (publ) (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Sweden, having its headquarters located at the address, c/o Slättö Förvaltning AB, Grev Turegatan 19, 114 38 Stockholm, Sweden, with reg. no. 556994-4464, in relation to the application for the listing of the senior unsecured floating rate bonds denominated in SEK (the "**Bonds**") on the corporate bond list on Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Pareto Securities AB and Swedbank AB (publ) has acted as Joint Bookrunners in connection with the issue of the Bonds (the "**Joint Bookrunners**"). This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council (the "**Regulation**") and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and repealing Commission Regulation (EC) No 809/2004.

The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") as the competent authority under the Regulation. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the bonds that are subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 40 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

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

Investing in bonds is not appropriate for all investors. Each investor should therefore evaluate the suitability of an investment in the Bonds in light of its own circumstances. In particular, each investor should:

- (a) have sufficient knowledge and experience to carry out an effective evaluation of (i) the Bonds, (ii) the merits and risks of investing in the Bonds, and (iii) the information contained or incorporated by reference in the Prospectus or any supplements;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in the Bonds and the impact that such investment will have on the investor's overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's own currency;
- (d) understand thoroughly the Terms and Conditions and the other Finance Documents and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor's ability to bear the risks.

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 the corporate bond list on Nasdaq Stockholm. This Prospectus may not be distributed in or into any country where such distribution or disposal would require any additional prospectus, registration or additional measures or contrary to the rules and regulations of such jurisdiction. 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 US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold outside the United States to purchasers who are not, or are not purchasing for the account of, U.S. persons in reliance upon Regulation S under the Securities Act. In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

The offering is not made to individuals domiciled in Australia, Japan, Canada, Hong Kong, the Italian Republic, New Zealand, the Republic of Cyprus, the Republic of South Africa, the United Kingdom, the United States (or to any U.S person), or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

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 of, 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 the section "**Risk factors**" below.

Interest payable on the Bonds will be calculated by reference to STIBOR. As at the date of this Prospectus, no administrator of STIBOR appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (the "**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**").

This Prospectus shall be read together with all documents that are incorporated by reference, see subsection "**Documents incorporated by reference**" under section "**Other information**" below, and possible supplements to this Prospectus.

## TABLE OF CONTENTS

<b>Risk Factors</b> .....	<b>3</b>
<b>The Bonds in Brief</b> .....	<b>20</b>
<b>Statement of Responsibility</b> .....	<b>25</b>
<b>Description of Material Agreements</b> .....	<b>26</b>
<b>Description of The Group</b> .....	<b>28</b>
<b>Management</b> .....	<b>34</b>
<b>Historical Financial Information</b> .....	<b>36</b>
<b>Other Information</b> .....	<b>38</b>
<b>Terms and Conditions of the Bonds</b> .....	<b>40</b>
<b>Addresses</b> .....	<b>84</b>

## **Risk Factors**

*Risk factors deemed to be of importance for the Group's business and future development and risks relating to the Bonds are described below. Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the Terms and Conditions. The risk factors presented below are categorised as "RISKS RELATING TO THE GROUP" or "RISKS RELATING TO THE BONDS" on the basis of whether they pertain to the Group or to the Bonds. The risk factors categorised as "RISKS RELATING TO THE GROUP", are categorised as risk factors pertaining to the Group. Each risk factor is disclosed by rating the relevant risk as low, medium or high in terms of the probability of the risk's occurrence as well as the expected magnitude of its adverse impact. The assessment of the materiality and probability for each risk factor has been made by the Company.*

### **Risks relating to the Group**

#### **Risks Related to the Company's Business Activities and Industry**

##### ***Project risk***

Part of the Group's strategy is to develop properties and the Group has acquired properties which the Group are in various stages of the process of developing into residential or industrial properties as well as properties for social and community services. From a development perspective, with respect to the number of properties the Group has in its portfolio, and has gained access to, approximately 22 per cent. of the Group's project properties are in the early stages of development, approximately 27 per cent. of the project properties are undergoing constructions and approximately 51 per cent. of the project properties have been finalised and are being managed by the Group. From a balance sheet perspective, approximately 63 per cent. of the Group's assets are residential property investments, approximately 18 per cent. are commercial logistics property investments and 19 per cent. are other property investments including warehouse properties and community service properties.

Such production involves, *inter alia*, acquisition of properties, the process of adopting new zoning plans allowing the construction of buildings for the above-mentioned purposes, potential environmental remediation, procurement of building permits and other necessary government approvals, procurement of the construction contract, eviction of current tenants, the completion of the constructions, etc. Property development projects are always subject to significant risks and the realisation of the expected value depends upon the successful implementation of the property development projects. There is a risk that property development projects are delayed for various reasons or that the cost of the property development projects may overrun the estimated budget. Further, such projects may be aborted or become more expensive which will affect the results of operations of the Group, resulting in less profits than what is estimated by the Group. This presents a risk to the Company as these factors may affect the Company's ability to pay interest on the Bonds and redeem the Bonds.

The Issuer considers the probability that the risks relating to property projects would materialise to be medium and if such risks would materialise, the Issuer considers the potential adverse impact to be medium.

##### ***Acquisitions, divestments and other transaction related risks***

The Group will conduct acquisitions in the future and the Group will also divest properties or property-owning companies. Recent acquisitions within residential properties includes acquiring a 50 per cent. stake of the Stockholm property project known as BRF Helix from Oscar Properties through a joint venture company with Fastpartner and recent acquisitions within commercial properties includes acquiring commercial properties to an aggregate transaction value of approximately SEK 340,000,000 and acquiring a warehouse property in Täby of approximately 2,200 square meters. Recent acquisitions within community service properties includes acquiring three school properties in Enköping and one pre-school property in Västerås.

Recent divestments within residential properties includes the divestment of six properties comprising approximately 600 residential apartments and recent divestments within commercial properties includes a logistics property portfolio containing seven properties with underlying property values of approximately SEK 408,000,000. Acquisitions are inherently associated with risks connected to the acquired business. For example, tenants may leave, the accounting of the acquired business may be deficient and/or the operations may be subject to unforeseen environmental or tax requirements. Furthermore, other circumstances which may affect the value negatively may materialise. There is a risk that any of the above described risks materialises, which could have a material negative impact on the value of the acquired property and therefore increase the Group's costs, which in turn may negatively affect the Group's operations, earnings and financial position.

In connection with the Group's acquisitions and divestments, from time to time, the Group has and may in the future have claims as seller, or incur debt as purchaser, under vendor notes. Thus there is a risk that such arrangements may have adverse effects on the anticipated cost or gains relating to the acquisitions and divestments made by the Group, which could have a negative effect on the Group's earnings and financial position.

Acquisitions may also impose risks associated with the relevant seller. If a seller is, or ends up in, financial distress, the possibility to be successful with warranty or guarantee claims may be limited. In addition, such possibilities may be limited in time. This poses a risk to the Group and should the above risks related to the seller materialise, it could negatively affect the Group's ability to receive compensation from a seller, which could have a negative effect on the Group's earnings.

Divesting properties involves uncertainties regarding, *inter alia*, obtaining a desired purchase price for the properties. The Group may be subject to claims from a purchaser resulting from the sale or the condition of the sold properties. If the Group is unable to sell its properties on favourable terms or if claims are directed at the Group, this may lead to delays in projects as well as increased and unexpected costs for the properties and transactions. This poses a risk to the Group and if it materialises, it could negatively affect the Group's financial position. A core part of the Group's operations revolves around development of properties for the purpose of divesting such properties and the Group only keeps a minor part of its developed properties, once completed, as cashflow generating properties. The Group is therefore dependent upon the successful divestment of developed properties at a price higher than the cost for the property project including the financing of the project, and should the Group not be able to divest property development projects on favourable terms, this could have a material adverse effect on the Group's ability to pay interest under the Bonds and ultimately redeem the Bonds.

If one or several of the abovementioned risks would materialise, it could have a material negative impact on the Group's ability to generate revenue and make value creating property investments or divestments and therefore negatively affect the Group's financial position. The Issuer considers

the probability that the risks relating to acquisitions, divestments and other transactions would materialise to be medium and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

### ***Management risk***

The Company is an alternative investment fund managed by the alternative investment fund manager Slättö Förvaltning AB. Due to this structure, the Company is only a vehicle for conducting the business operations set out by its constitutional documents and all operations carried out on behalf of the Group is therefore managed by Slättö Förvaltning AB in its capacity as fund manager. The services of Slättö Förvaltning AB are provided under a management agreement and includes, *inter alia*, investment advice, coordination services, financing services, development and project management of the Group's property projects (the "**Management Agreement**"). The Group is therefore dependent on Slättö Förvaltning AB for execution of its strategy and the operation of its activities. There is an uncertainty with regard to the management of the Group in the event of a termination of the Management Agreement. In addition, the Group is dependent upon the services and products of certain other consultants, contractors and other service providers in order to successfully pursue the Group's business plan. There is a risk that the Group cannot purchase new management services or other necessary services or products on favourable terms, or at all, which would hinder the Group's operations and could have an adverse effect on the Group's business, financial condition and equity returns.

The Issuer considers the probability that the risks relating to its fund structure and being managed by a fund manager would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

### ***Macroeconomic and regional specific factors***

The real estate business, and thus the Group's business, is to a large extent affected by macroeconomic factors such as the general economic trend, regional economic development, employment rate development, production rate of new residential units and premises, changes of infrastructure, population growth, structure of the population, inflation, interest rates etc. The development of the economy is a material factor for supply and demand on the residential and commercial real estate market and accordingly affects yields, vacancy and rental rates, especially for commercial real estate. Expectations regarding the inflation affect the interest rate and therefore affect the Group's net financial income. The interest expense of debts to credit institutions are one of the Group's main cost items. In the long term, changes in the interest rate could have a significant effect on the Group's result and cash flow. The inflation also affects the Group's costs. In addition, changes in the interest rate and the inflation also affect the yield requirements and thus the market value of the Group's properties. The Group's operations are mainly concentrated to the larger regions and cities of Sweden with a majority of its operations focused in the greater Stockholm area and the growth regions of 'Skåne' and 'Östergötland' of Sweden, and accordingly the Group's property holdings are exposed towards macroeconomic factors that affect those parts of the country. Furthermore, the supply and demand regarding real estate, and accordingly the yield on real estate investments differ between different geographical markets and may develop differently within different geographical markets. The demand for real estate may decrease in this geographical market even if the demand does not decrease in the rest of the country. This may lead to increased vacancies, lower future rental rates and/or decreasing market values of the properties. If one or several of these factors would develop negatively, this could have a significant negative impact on the Group's operations, earnings and financial position.

The Issuer considers the probability that the risks relating to macroeconomic and regional factors would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be medium.

### ***Property risk***

The Issuer's business mainly revolves around acquiring, developing, owning, managing and divesting real estate, primarily within the three segments; residential, logistics/warehouse/light industry and community service properties. The Group actively seeks out project development opportunities, e.g. by converting industrial properties or land into residential properties through zoning. Returns from the properties will largely depend upon, *inter alia*, the respective Group Company's ability to develop the properties, rental income, financial costs, the costs and expenses incurred in relation to the asset management, maintenance and property management as well as on fluctuations in the market value of the properties.

Rental income, the development and the market value of the Properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes of interest rates. Both property value and the Group's ability to enter into lease agreements with tenants may also be affected by competition from other property owners, or the perceptions of prospective buyers or the attractiveness, convenience and safety of the properties. If the Group experiences a decrease in its rental income, market values of the property portfolio or unexpected costs and/or delays relating to the development of the properties, this may have an adverse effect on, the value of the properties, the ability to divest assets and the Group's ability to receive rental income and presents a risk to the Company as these factors may affect the Company's ability to pay interest on the Bonds and redeem the Bonds.

The Issuer considers the probability that the risks relating to properties would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

### ***Risks related to the valuation of properties***

The value of the Group's properties is affected by several factors, such as supply and demand, vacancy rate, rental levels and operational costs. Further the value of properties tends to correlate with interest fluctuations. If interest rates go down the value of properties tend to increase and if interest rates go up the value of properties tend to decrease.

The Group estimates, in respect of the value of the Group's rental properties and possible effects on such value, that as per the financial quarter ended 30 September 2020 for the Group, (i) an increase in the market yield requirements of the properties by 0.25 per cent. would affect the Group's underlying property value negatively by SEK 47,000,000 and a decrease of 0.25 per cent. would affect positively by SEK 52,000,000, (ii) an increase in rental income by 5 per cent. would affect the Group's underlying property value positively by SEK 75,000,000 and a decrease of 5 per cent. would affect the Group's underlying property value negatively by SEK 75,000,000, (iii) an increase in costs of operations by 5 per cent. would affect the Group's underlying property value negatively by SEK 21,000,000 and a decrease of 5 per cent. would affect the Group's underlying property value positively by SEK 21,000,000 and (iv) an increase in vacancy levels by 2 per cent. would affect the Group's underlying property value negatively by SEK 30,000,000 and a decrease of 2 per cent. would affect the Group's underlying property value positively by SEK 30,000,000. Hence,

the value of the properties could deteriorate, which may impact the value of the Group's investments and may affect The Company's ability to repay the Bonds.

The Issuer considers the probability that the risks relating to property valuations would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be medium.

### ***Rental income and the development of rents***

The Group's property portfolio accommodates a large number of tenants. As per the financial quarter ended 30 September 2020 for the Group, all of the Group's rental income derive from commercial premises. Rental income for commercial properties is in the long term affected by, for example, supply and demand in the commercial property market. The economic occupancy rate, the agreed rent level and the tenant's ability to pay will affect the Group's aggregate rental income. If the economic occupancy rate or rent levels decline, for any reason, the Group's earnings will be adversely affected.

The risk of fluctuations in vacancies and loss of rental income increases the more individual large tenants a property company has. The rental income from the ten largest tenants of the property portfolio corresponds to approximately 51 per cent. of the total rental income of the Group (including rental income from non-consolidated entities, associated companies and minority holdings). The lease agreements with the Group's largest tenants have differentiated durations and the agreements with the Group's ten largest tenants have an average remaining duration of approximately 5.3 years (with portfolio average being 4.7 years). There is a risk that one or more of the Group's most important tenants do not renew or extend their lease agreements after expiration, or cannot fulfil their obligations pursuant to the lease agreements due to for instance bankruptcy, liquidation proceedings or other unexpected events, which may lead to a decrease in rental income and an increase in vacancies, unless the Group is able to receive corresponding rental income from new tenants.

Rent-level risk is attributable to trends in current market rents. A long-term negative development of the market rents may have a negative impact on the Group. In addition, the Group is dependent on that its tenants pay the rents on time, and it is thus exposed to the risk that the tenants do not fulfil their obligations, which could lead to decreased rental income. If any of the above described risks would materialise it would have a negative impact on the Group's earnings, cashflow, liquidity position and financial position.

The Issuer considers the probability that the risks relating to rental income and development of rents would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

### ***Operational and maintenance costs***

Operational and maintenance costs are material costs for the Group comprising approximately 13 per cent. of all costs as per the financial quarter ended 30 September 2020. The operational costs mainly consist of costs which are fare related, such as cost for electricity, cleaning, water, heating, construction, utilities and administration expenses. Several of these goods and services can only be bought from a single operator on the market, which may affect the price. The operational costs are also subject to seasonal variations and weather conditions, such as prolonged colder periods resulting in increased costs, as well as other similar unpredictable events entailing increased operational costs in relation to the Group's property portfolio. Further, inflation and other index

related measures may have a larger impact on operational costs than the Group's earnings which may adversely affect the Group's earnings as such cost may not be able to be forwarded to the Group's tenants and customers. Thus, there is a risk that the increase in costs cannot be compensated through regulation in lease agreements, or rental increases through renegotiations of lease agreements, there is a risk that it may have a negative impact on the Group's operations, earnings and financial position.

Maintenance costs are attributable to measures required to maintain the standard of the Group's property portfolio in the long term or to modernise it. The maintenance costs are also subject to seasonal variations and weather conditions, such as unexpected heavy rainfall resulting in flooding and/or water damages as well as other similar unpredictable events entailing increased maintenance costs in relation to the property portfolio and operated by the Group. Thus, there is a risk that the Group will be subject to increased maintenance costs. Such expenses may, in order to comply with market, governmental or other legal requirements, be substantial and unexpected, and as a consequence have a material negative impact on the Group's net operating income, which is affected negatively if operational and maintenance costs are increased. This risk specifically applies to the extent that such costs would not be covered by the Group's insurance policies and even if such costs may be covered under the insurance policies there may be operational and efficiency losses within the Group which may not be compensated, in turn adversely affecting the Group's earnings and costs of operations.

The Issuer considers the probability that the risks relating to operational and maintenance costs would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

#### ***Ability to recruit and retain personnel***

The organisation of the Group is of limited size, and key persons include the responsible fund manager for the Company, the head of project management, the CFO and the members of the investment committee. The investment committee comprises of four persons with extensive industry knowledge whom in essence decide upon all investment matters relating to the Group, and where the earlier mentioned personnel have key position for execution of the investment committee's decisions. The further development of the Group is highly dependent on the knowledge, experience and commitment of the Group's management and other key personnel. The future success of the Group therefore, amongst other things, depends on the Group's ability to retain and motivate its key personnel. It also depends on the ability to recruit, retain and develop other qualified senior executives and key employees. There is a risk that key personnel may leave the Group and a subsequent failure of recruiting suitable successors could have material negative impact on the Group's operations, earnings and financial position.

The Issuer considers the probability that the risks relating to the ability to recruit and retain personnel would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

#### ***Dependence of laws, permits and decisions***

The Group's business is regulated and affected by a large number of laws and regulations such as the Planning and Building Act (Sw. *Plan- och bygglagen*), building standards, security regulations, rules regarding permitted construction materials, antiquarian building classification and various forms of cultural labelling, lettings and rent regulations. The Group conducts its business and real

estate development in accordance with its interpretation of current laws and regulations. There is a risk that the Group's interpretation of applicable laws and regulations is incorrect or that the interpretations may change in the future. In order for the Group's properties to be used and developed as desired, various permits and decisions can be required, including local plans and various kinds of property registrations, which are approved and given by, for instance, municipalities and authorities, and which are resolved on both a political and a civil servant level. There is a risk that the Group in the future is not granted the permits, zoning or obtain the decisions necessary to conduct and develop its business in a desired manner. Further, decisions may be appealed and, as a result thereof, delayed significantly and the established decision-making practice or the political will or direction in the future may change in an adverse manner for the Group. There is a risk that changed laws, regulations and requirements from authorities could result in increased costs and that properties cannot be utilised in the intended manner, which could have a material negative impact on the Group's operations and earnings.

The Issuer considers the probability that the risks relating to dependence of laws, permits and decisions would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be medium.

### ***Joint ventures, associated companies and minority holdings***

The Group has, and may in the future, conduct certain of its operations through joint ventures, associated companies and minority holdings. On the date hereof, the Group has seven joint ventures and two associated companies, which together accounts for approximately 46 per cent. of the Group's total equity as per the financial quarter ended 30 September 2020 for the Group. The joint ventures and associated companies are important for the Group and are active in the segments, residential property projects, commercial property projects and community service property projects. Please see below for a description of the joint ventures for each category.

#### *Residential property projects*

The Group has two joint ventures together with a subsidiary of the property company Fastpartner AB (publ), one is the project Bromstensstaden which relates to the development of approximately 1,300 apartments in an approximate project size of 81,000 square meters and the second is the project Helix which relates to the development of approximately 138 apartments in an approximate project size of 12,000 square meters. In addition, the Group has a joint venture together with Peab which relates to a project in Norrköping in which industrial premises are converted to residential apartments in an approximate project size of 220,000 square meters. Awaiting the conversion, the property operates as a cash flow generating asset with a total gross leasable area of approximately 60,000 square meters.

Other joint ventures include a joint venture together with Sveaviken which relates to residential property development projects in Barkarby, Lund and Örebro and a joint venture with Sundprojekt AB which relates to a residential property development in the Helsingborg area called project Ringstorp. Lastly, the Group has an associated company, Evolv Bostadsutveckling AB, which focuses on residential property development.

#### *Commercial property projects*

The Group is engaged in a joint venture in Norrköping with local entrepreneurs in relation to project Klinga Industripark regarding the development of logistics properties in an approximate project size

of 100,000 square meters. Further, the Group has a joint venture with the property company Evolv Property AB which relates to ten industrial properties and has an approximate project size of 45,000 square meters. In addition, the Group has a joint venture in respect of a hotel property project.

#### *Community service properties*

The Group has a joint venture with Fondamentor which relates to the development of community service properties, specifically focused on schools. The Group has also another joint venture in the community service property segment which is deemed to be non-material for the Group.

#### *Effects of not having a controlling interest*

The Group does not have a controlling interest in the joint ventures (save for Evolv Fastigheter AB, in which the Group has a 70 per cent. ownership stake, and Bromstensstaden, in which the Group has a 60 per cent. ownership stake), associated companies or minority holdings and as a result the Group does not have an independent influence over the conduct of the respective joint ventures', associated companies' or minority holdings' business or its cash flow. The Group's business model includes pursuing additional joint ventures, associated companies and minority holdings owning residential and commercial property as well as developing residential and commercial property. The risk of actions outside the Group's or the joint investments' control and adverse to the Group's interests is inherent in jointly controlled entities. There is a risk that the Group's reputation may be damaged should any of the Group's joint investment partners pursue any misbehaviour or misconduct. Further, there is also a risk that the partners owning the joint investments may disagree on important matters, including the funding of the company. The risk with a joint investment is also that the Group assumes contractual and financial counterparty risk towards its joint investment partner as a joint investment partner may choose to not fulfil its obligations under the joint investment. A disagreement or deadlock regarding the joint investment or a breach by one of the parties of the material provisions of the cooperation arrangements could adversely affect the Group's earnings. Further, a number of the joint venture agreements includes provisions which allows a party to make an offer to acquire the other joint venture partner(s) shares in the joint venture and if such offer is declined the declining party must make the same offer to the original offering joint venture partner. There is a risk the Group may need to purchase the other party's shares in a joint venture at a price higher than the market value of such shares, on the same note there is equally a risk that the Group may need to sell its shares in a joint venture at a price lower than the market value for such shares, which ultimately may have an adverse effect on the Group's results of operations.

The Issuer considers the probability that the risks relating to joint ventures, associated companies and minority holdings would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be medium.

#### ***Risks relating to the forward funding transactions***

The Group has entered into several share purchase agreements with different buyers. Under the share purchase agreements, the buyers acquire newly established companies, owning parts of the underlying properties, from the Group. These transactions are carried out as forward funding transactions, meaning that the buyer will acquire parts of the underlying properties and the newly established property-owning companies enter into project management agreements with the Group. Based on a pre-agreed budget and development plan, the buyer finances the construction of residential properties on the property. The final purchase price for the property will be settled

once the construction on the property is finalised whereby the Group will receive a part of the profits (if any). There is however a risk that the construction of the residential properties is delayed for various reasons or that the cost of the projects may overrun the estimated budget and that the Group may have to bear such costs (i.e. should the construction costs exceed the earnings the Group may have to compensate the acquirer), which may have a material adverse effect on the Group's operations, results and financial position, which may impact the Company's ability to repay the Bonds.

The Issuer considers the probability that the risks relating to forward funding transactions would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

### ***Coronavirus disease (COVID-19) risks***

The 2019 novel coronavirus ("**COVID-19**") outbreak is currently having an indeterminable adverse impact on the world economy. COVID-19 was reportedly first discovered in Wuhan, Hubei Province, China, in 2019, and the World Health Organization declared COVID-19 a pandemic on 11 March 2020. The COVID-19 outbreak has become a widespread health crisis, which may in turn result in protracted volatility in international markets and/or result in a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains. In particular, in February to April 2020 the COVID-19 outbreak caused stock markets worldwide to lose significant value and impacted economic activity worldwide. The trading price of the Bonds may therefore be adversely affected by the economic uncertainty caused by COVID-19. Furthermore, there is a risk that the Group's tenants' ability to pay rent and the Group's ongoing property development projects may be adversely affected by the COVID-19 outbreak. The initial impact of COVID-19 has been minor on the Group's business. To a minor degree certain smaller tenants of the Group have been late with payments, which caused the Group to adjust the relevant lease agreements for such tenants, and one entrepreneur of the Group has not been able to perform in accordance with the agreed upon timeline. However, there is a risk that the regions in which the Group operates, may be imposed tougher restrictions by the relevant authorities and governmental bodies, e.g. travel bans and quarantine. There is risk that these type of restrictions and other measures to limit the transmission of COVID-19 may impact the tenants' and the entrepreneurs' operations and their ability to pay rent and develop the Group's property projects and thus adversely affect the Group's business, financial condition and results of operations.

There is also a risk that the COVID-19 outbreak could have a negative effect on the value of the Group's properties. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations. Moreover, due to COVID-19, there is a risk that the Group's tenants may choose not to enter into new leases or renew existing. There is also a risk that the global downturn could affect the liquidity position of existing tenants, which in turn may require such tenants to postpone rental payments or cause defaults under lease agreements. Accordingly, the COVID-19 crisis' impact on the Group's current and future tenants could lead to increased vacancies and a decrease in rental income for the Group, which would have a negative impact on the Group's operations, financial position and earnings.

The Issuer considers the probability that the risks relating to COVID-19 would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be medium.

### ***Environmental risks and requirements***

Acquiring properties and operating properties, entail the risk of acquiring contaminated properties or causing contamination as part of the operations. Since the Issuer's incorporation, the Group has acquired 51 properties and as per the financial quarter ended 30 September 2020 the Group owns and operates 35 properties. Further, the Group is exposed to the risk of contamination as part of the Group's own development projects or operation of the Group's commercial properties. The starting point for the responsibility with respect to contaminations and other environmental damage is, according to the current environmental laws, that the business operator, current and former, bears the responsibility. The Group will not conduct any business that requires a permit according to the Environmental Code (*Sw. Miljöbalken*), but may as such in certain circumstances be held liable. According to the Environmental Code, a person who has contributed to pollution has a responsibility for remediation. If the operator is unable to perform or defray post-treatment of a property, the party who acquired the property, and who at the time of the acquisition knew of or should have detected the pollution is to assume responsibility. This means that claims under certain circumstances may be directed at the Group for land remediation or post-treatment in the event of an occurrence or suspicion of contamination of land, catchment area or ground water for the purpose of returning the property to the condition required according to the Environmental Code. It cannot be ruled out that current or previously operated activities on the properties could incur environmental risks which would materially affect the Group negatively and result in difficulties to divest such property. Considering the Group's acquisition and divestment history, acquisition and divestment strategy, current property holdings and development operations, there is a risk that the Group would be imposed to pay for cleaning-up or after treatment, which could result in increased costs and therefore have a material adverse impact on the Group's earnings and financial position.

The Issuer considers the probability that the risks relating to environment and environmental requirements would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be medium.

### **Risks related to the Group's financial situation**

#### ***Credit exposure and interest rate risk***

The Company and its subsidiaries may, in compliance with the limits set out in the Terms and Conditions, incur further financial indebtedness to finance its business operations. Such arrangements may generate future costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses.

The Group carries a credit risk that its counterparties cannot fulfil their obligations vis-a-vis the Group. In addition to the Group's tenants, such counterparties may exist in connection with placement of excess liquidity, interest swap arrangements, issuing of vendor notes and short term and long term credit facility arrangements. If the Group cannot successfully mitigate its credit risk or if its counterparties cannot fulfill their obligations towards the Group this could negatively affect the Group's liquidity and therefore increase the Group's need for additional financing. There is a risk that the Group's counterparties cannot fulfil its financial obligations vis-a-vis the Group, which could have a negative impact on the Group's earnings and financial position.

Interest rate risk refers to the risk of changes in the capital market that may affect the interest rate conditions and thus borrowing costs for the Group. Interest rate risk is expressed as the cost change for the interest-bearing liabilities, expressed in SEK. Excluding the successful issuance of the Bonds, the Group's (including non-consolidated entities, associated companies and minority holdings)

interest-bearing liabilities, excluding any tax effects or implications, is estimated to be in an amount of approximately SEK 1,685,000,000 including the Group's bank financing. If the interest rates on the Group's loans were to be increased by one per cent., the Group's (including non-consolidated entities, associated companies and minority holdings) interest expenses, excluding any tax effects or implications, would increase by approximately SEK 16,850,000 on an annual basis, albeit with a certain delay due to fixed interest periods. Since part of the Group's operations relate to leasing of commercial spaces in accordance with signed agreements it may cause difficulties for the Group to increase revenues to compensate for higher interest costs. A higher interest expense also risk having an effect on profitability, which can negatively affect both the Group's liquidity and interest coverage ratio. Consequently, this could lead to the Group having less opportunities to pay interest and amortisation, and there is a risk of the Group breaching the bond terms. Breach of financial conditions or covenants in the bond terms may lead to early repayment of the Bonds and may force the Group to sell future properties. If the prevailing interest rate levels were to change in a negative way for the Group, it could have a material adverse effect on the Group's operating income, balance sheet and cash flow.

The Issuer considers the probability that the risks relating to credit exposure and interest rate would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

#### ***Refinancing risks***

Refinancing risk refers to the risk of not being able to obtain financing or only obtaining financing on terms that are disadvantageous for the Group. Property companies often have significant levels of indebtedness. The Group finances its business primarily through a combination of borrowings from credit institutions, listed bonds, other liabilities and deferred tax liabilities as well as shareholder's equity. As of the financial quarter ended 30 September 2020, the Group's (including non-consolidated entities, associated companies and minority holdings) external interest-bearing debt amounted to SEK 1,685,000,000 of which SEK 787,520,000 falls due within one year.

There is a risk that the Group cannot secure sufficient funds to refinance its debts that are due, or that such refinancing can only be obtained on terms that are disadvantageous to the Group. Should the Group fail to obtain necessary capital in the future, it could increase the Group's costs and therefore have a negative impact on the Group's earnings and financial position.

The Issuer considers the probability that the risks relating to refinancing would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be high.

#### **Risks relating to delayed submission of auditor's reports**

At the date of this presentation, one Group Company has an ongoing matter with the Swedish Companies Registration Office ("**SCRO**") relating to the delayed submission of the auditor's reports for the audited financial statements for the financial year ended 31 December 2019. In addition, the Group has become aware that this delay also exists for three other Group Companies. If these matters are not remedied within the relevant deadlines provided by SCRO, the SCRO may resolve to liquidate the relevant Group Companies. Certain material agreements of the Group contain provisions on defaults, cross-defaults and other undertakings or representations which may be triggered should the Group not be able to comply with the SCRO's requests to submit the auditor's reports in due time. If such provisions of the Group's material agreements are triggered, the

agreements may be terminated which would have a material adverse effect on the Group's financing arrangements and material agreements, affecting how the Group conducts its ordinary business as it may prove difficult or impossible to find similar or equal financing arrangements and other material agreements on favourable terms, ultimately affecting the Group's operating income, balance sheet and cash flow.

The Issuer considers the probability that the risks relating to defaults, cross-defaults and other breaches would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be high.

## **Risks relating to the Bonds**

### **Risks relating to the nature of the Bonds**

#### ***Credit risks relating to the Bonds and ability to service debt under the Bonds***

Investors in the Bonds assume a credit risk towards the Company and indirectly the Group. An investor's prospects of receiving payment under the Bonds is therefore 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 credit risk and the Group's financial position is affected by several factors of which some have been mentioned in the above category "Risks relating to the Group". One such aspect of credit risk is that there is a risk that a deteriorating financial position of the Group will force the Group to refinance the Bonds instead of redeeming them with cash generated by the Group, as described under Section "Refinancing risks" above. The Company's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all. In case of a deteriorating financial position of the Group, this will reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds. Should any of the above risks materialise, this would have a significant negative effect on the Group's operations, earnings, results and financial position.

Furthermore, there is a risk that an increased credit risk will cause the market to charge the Bonds a higher risk premium, which will affect the Bonds' market value negatively. If the Company were to be unable to make repayment under the Bonds, there is a risk that the bondholders would find it difficult or impossible to recover the amounts owed to them under the Bonds.

The Issuer considers the probability that the risks relating to credit risks to the Bonds and ability to service debt under the Bonds would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be high.

#### ***Interest rate risks in relation to the Bonds***

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest rate. The market interest may be subject to significant fluctuations. Investments in Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in

market interest rates or interest rate expectations. The Bonds bear interest at a floating rate of 3 month STIBOR plus a margin with an interest rate floor at 0.00 per cent. will apply. The interest rate of the Bonds is determined two business days prior to the first day of each respective interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will 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 therefore outside the Group's control.

The Issuer considers the probability that the risks relating to interest rate in relation to the Bonds would materialise to be medium and if such risks would materialise, the Issuer considers the potential adverse impact to be medium.

#### ***Risks related to early redemption and partial repayment of the Bonds***

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

In addition, the Company has reserved the possibility to a partial repayment of the Bonds at one occasion per each financial year on or after the first business day falling twelve months from the issue date (without carry-back or carry forward) in an aggregate amount not exceeding SEK 100,000,000. Notwithstanding the foregoing, the total outstanding nominal amount must amount to at least SEK 300,000,000 at any time, unless the call option is utilised. A partial redemption may affect the liquidity of the Bonds and may have a negative impact on the market value of the Bonds which would result in bondholders' difficulties to sell the Bonds (at all or at reasonable terms).

The Issuer considers the probability that the risks relating to early redemption and partial repayment of the Bonds would materialise to be medium and if such risks would materialise, the Issuer considers the potential adverse impact to be medium.

#### ***Risks relating to the Bonds being unsecured and security over assets granted to third parties***

The Bonds represents an unsecured obligation of the Issuer. If the Issuer is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, all of the Issuer's secured obligations must first be satisfied, potentially leaving little or no remaining assets in the Issuer for the bondholders. As a result, the bondholders may not recover any or full value.

Subject to certain limitations from time to time, the Company has and may incur additional financial indebtedness and provide additional security and guarantees for such indebtedness. The Group has granted security and guarantees under the current debt facilities including security over, *inter alia*, property mortgage certificates, shares and intra-group loans. As security has been granted in favour of a third-party debt provider, and may be provided to additional debt providers, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Company, be subordinated in right of payment out of the assets being subject to security provided to such third-party debt

providers. In addition, if any such third-party debt provider holding security provided by the Group were to enforce such security due to a default by any company within the Group under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and financial position, and the rights of the bondholders to receive payments under the Bonds.

The Issuer considers the probability that the risks relating to the Bonds being unsecured and security over assets granted to third parties would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be high.

### ***Voting majority owner***

The Group is a fund structure and as such the majority of the votes in the Company are controlled by the fund manager of the Group, Slättö Förvaltning AB, by way of indirect ownership of shares and a shareholders' agreement with the fund's investors. Slättö Förvaltning AB's interests may conflict with the bondholders' interests, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due.

The voting majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting both through indirect shareholding and the shareholders' agreement. For example, the voting majority shareholder will have the ability to elect the board of directors. Furthermore, the voting majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in its judgment, could enhance the value of their equity investment, although such transactions might involve risks to the bondholders. 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.

In the event of a divestment by the voting majority shareholder, the bondholders have a right of prepayment of the Bonds (put option). There is a risk that the Company does not have enough liquidity to repurchase the Bonds if the bondholders use its right of prepayment, see further under Section "Put option" below.

The Issuer considers the probability that the risks relating to voting majority owner would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

### ***Benchmark Regulation***

Interest payable on the Bonds is calculated by reference to STIBOR and an interest rate floor at 0.00 per cent. applies. The process for determining STIBOR and other interest-rate benchmarks is subject to an on-going reform process that has already resulted in a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect to date is the Benchmark 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 Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union.

The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has been applicable. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of a benchmark that is used for the Bonds, it could potentially have negative effects for the bondholders.

The Issuer considers the probability that the risks relating to the Benchmark Regulation would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be medium.

### **Put option**

Pursuant to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) if:

- (a) an event or series of events occur whereby one or more persons, not being Slättö Förvaltning AB or Neptunia Invest AB (publ) (or an affiliate thereof), acting together, acquire control over the Company and where control means (i) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Company, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Company; or
- (b) an event occurs whereby the Bonds have not been admitted to trading on Nasdaq First North or the corporate bond list of Nasdaq Stockholm, or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another MTF or Regulated Market within 60 calendar days after the issue date.

There is, however, a risk that the Company will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Company, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the put option.

The Issuer considers the probability that the risks relating to put option would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be high.

### **Risks relating to the financial standing of the Group**

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

All assets are owned by, and all revenues are generated in, the subsidiaries of the Company. The subsidiaries are legally distinct from the Company and have no obligation to make payments to the Company of any profits generated from their business. The ability of the subsidiaries to make payments to the Company is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers). Furthermore, the Company does not have controlling interests in its joint ventures (save for Evolv Fastigheter AB and Bromstensstaden) which means that decisions on distributions in these companies must be made together with the joint venture partner and that such joint venture partner may not agree to make

distributions at the relevant time as anticipated, or desired, by the Company which may further restrict the Company's possibility of receiving dividend and other distributions.

If the Company is not able to receive funds by way of dividends or value transfer from one or more subsidiary, this could have a material adverse effect on the Company's ability to service its payment obligations under the Bonds, which consequently would have an adverse effect on the Group's business, financial position, earnings and result.

The Group or its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Company may result in the obligation of the Company to make payments under guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

The Issuer considers the probability that the risks relating to subsidiaries, structural subordination and insolvency of subsidiaries would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be high.

#### **Risks related to the Bondholders' representation**

##### ***The rights of the bondholders depend on the Agent's actions and financial standing***

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond has accepted the appointment of the agent (being on the issue date Nordic Trustee & Agency AB (publ)) (the "**Agent**") to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds are subject to the provisions of the Terms and Conditions, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will have a negative effect on the enforcement of the rights of the bondholders.

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

There is a risk that materialisation of any of the above risks will have an adverse effect on the enforcement of the rights of the bondholders and the rights of the bondholders to receive payments under the Bonds.

The Issuer considers the probability that the risks relating to the rights of the bondholders depending on the Agent's actions and financial standing would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

##### ***No action against the Company and bondholders' representation***

In accordance with the Terms and Conditions for the Bonds, the Agent represents all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking unilateral actions against the Company or any other Group Company. Consequently, individual bondholders 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 or any other member of the Group and may therefore have no effective legal remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder may take unilateral action against the Company or any other member of the Group Company (in breach of the Terms and Conditions). This would adversely affect an acceleration of the Bonds or other actions against the Company or any other Group Company.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit separate written powers of attorney for legal proceedings. If the bondholders fail to submit such a power of attorney this could have a negative effect on the legal proceedings. Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that are binding upon all bondholders. Consequently, the actions of the Agent in such matters would impact a bondholder's rights under the Terms and Conditions in a manner that could be undesirable for some bondholders.

The Issuer considers the probability that the risks relating to no action against the Company and bondholders' representation would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

#### ***Bondholders' meetings***

The Terms and Conditions for the Bonds include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions for the Bonds allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently from the required majority at a duly convened and conducted bondholders' meeting. A bondholder may, for instance, be bound by a majority's decision to accept a change of the interest rate or decision to accept a change of the final maturity date. Consequently, there is a low risk that the actions of the majority in such matters will impact certain bondholders' rights in a manner that is undesirable for some of the bondholders.

The Issuer considers the probability that the risks relating to bondholder's meeting would materialise to be low and if such risks would materialise, the Issuer considers the potential adverse impact to be low.

## The Bonds in Brief

The following summary contains basic information about the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. Potential investors should therefore carefully consider this Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, see the Terms and Conditions.

Bonds issued under this Prospectus have STIBOR 3 months as interest rate. STIBOR 3 months constitutes a benchmark according to the regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). As at the date of this Prospectus, the administrator of STIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011.

<b>Issuer</b>	Slättö Value Add I AB (publ).
<b>Bonds Offered</b>	The aggregate amount of the bond loan is in an amount of SEK 500,000,000 due 2025.
<b>Number of Bonds</b>	Maximum of 400 Bonds. At the date of this Prospectus 400 Bonds had been issued on the Issue Date.
<b>ISIN</b>	SE0015194147.
<b>Issue Date</b>	17 February 2021.
<b>Issue Price</b>	All bonds issued on the Issue Date have been issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
<b>Interest Rates</b>	Interest on the Bonds will be paid at a floating rate of three-month STIBOR plus 7.50 per cent. <i>per annum</i> . STIBOR floor at 0.00 per cent. will apply.
<b>Use of benchmark</b>	Interest payable on the Bonds will be calculated by reference to STIBOR. As at the date of this Prospectus, the administrator of STIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011.
<b>Interest Payment Dates</b>	17 February, 17 May, 17 August and 17 November of each year commencing on 17 May 2021. Interest will accrue from (but excluding) the Issue Date.
<b>Nominal Amount</b>	The Bonds will have a nominal amount of SEK 1,250,000 and the minimum permissible investment in the Bonds is SEK 1,250,000.
<b>Status of the Bonds</b>	The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.  The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, and shall at all times rank:

- (a) (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them;
- (b) are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness; and
- (c) are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer, including obligations to trade creditors.

**Voluntary Redemption (Call Option)**      **Total**      The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 9.3 (*Voluntary Total Redemption*) of the Terms and Conditions.

**Voluntary Redemption**      **Partial**      The Issuer may, on or after 18 months after the Issue Date, at one occasion per each financial year (without carry-back or carry forward) redeem the Bonds in an aggregate amount not exceeding the Voluntary Prepayment Amount. The partial repayment shall reduce the outstanding Nominal Amount of each Bond *pro rata* (rounded down the nearest SEK 1.00). The Bonds shall be redeemed at the Call Option Amount for the relevant period but, shall for the period until the date falling 30 months after the Issue Date, be the price set out in Clause 9.3(a)(ii) (*Voluntary Total Redemption*) of the Terms and Conditions, in each case together with accrued but unpaid interest.

**Call Option Amount**      Call Option Amount means, if the Call Option is exercised:

- (a) any time from and including the Issue Date to, but excluding, the date falling 30 months after the Issue Date an amount per Bond equal to 103.75 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c) of the Terms and Conditions, up to, but excluding, the date falling 30 months after the Issue Date together with accrued but unpaid Interest;
- (b) any time from and including the date falling 30 months after the Issue Date to, but excluding, the date falling 36 months after the Issue Date an amount per Bond equal to 102.625 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (c) any time from and including the date falling 36 months after the Issue Date to, but excluding, the date falling 42 months after the Issue Date an amount per Bond equal to 101.875 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and

(d) any time from and including the date falling 42 months after the Issue Date to, but excluding, the Final Maturity Date an amount per Bond equal to 100.75 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

<b>Final Maturity Date</b>	Means 17 February 2025.
<b>Mandatory Repurchase Due to a Change of Control Event or a Listing Failure Event (Put Option)</b>	Upon the occurrence of a Change of Control Event or a Listing Failure Event each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of 20 Business Days following a notice from the Issuer of the Change of Control Event or the Listing Failure Event pursuant to Clause 10.1(e) of the Terms and Conditions (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or the Listing Failure Event.
<b>Change of Control Event</b>	Means the occurrence of an event or series of events whereby one or more Persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders), 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 shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.
<b>Listing Failure Event</b>	Means that the Bonds have not been admitted to trading on Nasdaq First North or the corporate bond list of Nasdaq Stockholm or if such admission to trading is not possible to obtain or maintain, admitted to trading on another MTF or Regulated Market within 60 days after the Issue Date and with the intention to complete such admission to trading within 30 days after the Issue Date.
<b>Certain Covenants</b>	<p>The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• restrictions on making any changes to the nature of their business;</li> <li>• restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and</li> <li>• limitations on the making of distributions and disposal of assets.</li> </ul> <p>The Terms and Conditions contains incurrence covenants which govern the ability of the Issuer and the other Group Companies to incur additional debt and to make certain payments.</p> <p>(a) The Debt Incurrence Test is met if:</p> <ul style="list-style-type: none"> <li>(i) the Equity to Total Assets exceeds 40 per cent.; and</li> </ul>

- (ii) no Event of Default is continuing or would occur upon the incurrence.
- (b) The Dividend Incurrence Test is met if:
  - (i) the Equity to Total Assets exceeds 40 per cent.;
  - (ii) the Issuer Equity to Bonds Outstanding exceeds 2.50:1; and
  - (iii) no Event of Default is continuing or would occur upon the payment.

The Terms and Conditions contains maintenance covenants which govern the financial standing and condition of the Issuer, according to which the Issuer shall ensure that:

- (a) the Equity to Total Assets exceeds 35 per cent.;
- (b) the Issuer Equity to Bonds Outstanding exceeds 1.50:1; and
- (c) either:
  - (i) the Interest Coverage Ratio is more than 1.50:1; or
  - (ii) the Cash and Cash Equivalents of the Issuer is at least an amount equivalent to the upcoming six months Interest payable under the Bonds.

Each of these covenants is subject to significant exceptions and qualifications, see the Terms and Conditions.

<b>Use of Proceeds</b>	The proceeds from the Bond Issue shall be used to (i) refinance the Existing Debt, (ii) finance general corporate purposes of the Group (including investments and acquisitions) and (iii) finance Transaction Costs.
<b>Transfer Restrictions</b>	The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
<b>Listing</b>	Application will be made to list the 400 Bonds on Nasdaq Stockholm. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 24 March 2021.
<b>Agent</b>	Nordic Trustee & Agency AB (publ).
<b>Issuing Agent</b>	Pareto Securities AB.
<b>Governing Law of the Bonds</b>	Swedish law.
<b>Risk Factors</b>	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description

of certain factors that they should carefully consider before deciding to invest in the Bonds.

## Statement of Responsibility

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 27 January 2021, and was subsequently issued by the Issuer on 17 February 2021. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council.

The board of directors of the Company is, to the extent provided by law, responsible for the information set out in this Prospectus and declares that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

24 March 2021

Slättö Value Add I AB (publ)

*The board of directors*

## Description of Material Agreements

The following is a summary of the material terms of material agreements to which the Issuer or a member of the Group is a party and considered as outside of the ordinary course of business. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements.

### Bond issue by the joint venture company Slättö Fastpartner Holding AB

The Issuer has an ongoing joint venture together with Fastpartner AB through the joint venture company Slättö Fastpartner Spånga AB (publ), reg. no. 559077-0896 ("**Slättö Fastpartner**") in which the Issuer controls 60 per cent. of the shares. On 1 April 2019, Slättö Fastpartner issued senior secured callable bonds in an aggregate amount of SEK 400,000,000. The purpose of the bond issue was to (i) partially fund the Additional Consideration for the Properties, (ii) prefunding the Interest Account with an aggregate amount equivalent to the Interest payable under the Bonds on two Interest Payment Dates, (iii) investments in the Properties by way of Residential Development, (iv) finance general corporate purposes of the Group (including operating costs and interest on any Construction Facility), and (v) finance Transaction Costs (each as defined in the terms and conditions for Slättö Fastpartners bonds, dated 27 March 2019). Slättö Fastpartner's outstanding bonds matures 1 April 2023.

### Subordination Agreement

The Issuer has entered into a subordination agreement with the Security Agent dated 10 February 2021 (the "**Subordination Agreement**"). The Subordinated Shareholders (as defined in the Subordination Agreement) may grant shareholder loans to the Issuer in the future.

In accordance with the Subordination Agreement, the Secured Creditors (as defined in the Terms and Conditions) and the Subordinated Shareholders (as defined in the Subordination Agreement) agree that their respective claims against the Issuer shall rank in the following order of priority:

- i. *firstly*, the Senior Debt (as defined in the Subordination Agreement); and
- ii. *secondly*, the Shareholder Debt (as defined in the Subordination Agreement).

For the purpose of this section "*Subordination Agreement*", the below listed terms shall have the following meaning:

<b>Subordinated Shareholder</b>	means any party which becomes a party to this Agreement as a Subordinated Shareholder in accordance with the terms of Clause 12 ( <i>Accessions</i> ) of the Subordination Agreement.
<b>Secured Creditors</b>	means the Bondholders and the Trustee (each as defined in the Terms and Conditions).
<b>Senior Debt</b>	means all present and future obligations and liabilities of the Issuer to the Senior Creditors under the Finance Documents (including for the avoidance of doubt, all obligations and liabilities under the Bonds and the Agency Agreement).

**Shareholder Debt**

means all present and future payment obligations of the Issuer to the Subordinated Shareholders, including without limitation any dividends to be paid by the Issuer to a Subordinated Shareholder.

## Description of The Group

### History and development

Slättö Value Add I AB (publ) was incorporated on 9 December 2014 and is a Swedish public limited liability company operating under the laws of Sweden with reg. no. 556994-4464. The Issuer's registered address is Box 7034, 103 86 Stockholm, Sweden and its headquarters is located at c/o Slättö Förvaltning AB, Grev Turegatan 19, 114 38 Stockholm, Sweden, with telephone number + 46 771 165 02 00. The website of the Issuer is slattovalueaddi.com. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus. The Issuer's legal entity identifier (LEI) is 8945004PIZ81T8RZVV70.

In accordance with the articles of association of the Company, adopted on 16 November 2020, the objects of the Company are to directly or indirectly, own, manage, develop, let, sell and invest in companies, land and real property and conduct related activities therewith.

### Group structure and general operations

Slättö Value Add I AB (publ) is an alternative investment fund ("**AIF**") with, other than the formally appointed external CEO, no employees and is as such only a vehicle for conducting the investment strategy and business operations set out by its constitutional documents. The investment strategy of the Company can be described as a real estate fund with an opportunistic mandate which operates with a value-add strategy focusing on the regional growth cities of Sweden. In practice, the Company is primarily focused on development of residential properties with a focus on rental apartments, with the addition of selective investments in cash-flow generating warehouse, logistics and light industry properties.

Structured as an AIF, the actual business operations of the Company are managed by the Company's alternative investment fund manager Slättö Förvaltning AB (the "**Management Company**"), which in its capacity as a fund management company provides services such as, investment advice, coordination services, financing services, development and project management of the Group's property projects which enables the Company to follow through with its investment strategy. The Management Company is authorised as an alternative investment fund manager by the SFSA and is an experienced fund manager which has raised over MSEK 4,200 in equity across seven funds since 2013 and has approximately MSEK 9,000 of assets under management, all focused on real estate. In providing its services to the Company, the Management Company has approximately 35 employees in its employment which are allocated to assist the Company throughout its various projects and the project phases. The most important assistance the Company receives is the advice of the investment committee allocated to the Company which comprises of four key persons which take the overall investment and strategy decisions for the Company. In addition to this, the Company has a designated fund manager, also acting as CEO of the Company, which executes the decisions of the investment committee.

In addition to receiving assistance from the Management Company in pursuing its investment strategy, the Group also engages external advisors and construction firms to assist in developing the various real estate projects of the Group and the contact and negotiations with such external parties are managed by the Management Company.

## Business areas and projects

The Company's business mainly revolves around acquiring, developing, owning, managing and divesting real estate, primarily within the three business segments; residential properties, logistics/warehouse/light industry properties and properties for public use. Each business segment of the Group's operations is described below.

### *Residential property projects*

The Group has residential property development projects in its pipeline of approximately 3,618 apartments. These apartments are distributed over various projects mainly located in Sweden's metropolitan areas and growing regional cities such as the greater Stockholm area, Skåne and Östergötland and the projects are in various different project phases, where 1,184 apartments are already in production and 1,802 apartments have approved zoning plans in legal force and 632 apartments are in earlier stages of development. The estimated building time is on average approximately 18 months and the majority of the residential property projects are expected to be completed in 2022 and 2023.

The largest residential projects of the Group are located in the greater Stockholm area and in Malmö, and amount to approximately 80 per cent. of the Group's residential property development projects. The largest residential property project is Bromstensstaden, located in Stockholm which upon completion will comprise of approximately 1,300 residential apartments, additional associated commercial spaces and a kindergarten in an approximate project size of 61,400 square meters ("**sqm**"). The Group is developing this project in a joint venture with Fastpartner AB (publ).

Other large residential projects in the greater Stockholm area includes Slagsta strand where the Group is developing 427 residential apartments. The project includes a mix of rental apartments, tenant owned apartments, townhouses, a kindergarten and a care home with a total residential project size of approximately 27,824 sqm. The Group is also developing a residential project in Barkarbystaden which is already under production and will comprise of 351 residential apartments upon completion. The Project in Barkarbystaden is developed as a joint venture together with Sveaviken Bostad AB. The final larger project the Group is developing in the greater Stockholm area is Norrtälje Hamn which will comprise of 182 residential apartments upon completion.

Outside of the greater Stockholm area, the largest residential property project is in Hyllie, Malmö, where the Group upon completion will have built 427 apartments and this project is currently under production. This project also has a large portion of commercial areas and approximately 23 per cent. of the gross lettable area is expected to comprise of lettable commercial space. In respect of this project, the Group has entered into a forward sale agreement with an external real estate investor, which means that the project itself has been divested by the Group, but that the entire purchase price will be paid and settled upon completion of the project.

The projects in Barkarbystaden and Hyllie are currently in production whereas zoning plans have been approved for all of the other above mentioned projects and construction on such projects have not yet begun. Approximately 20 per cent. of the Group's residential property projects are located in growing regional cities such as Örebro, Linköping and Norrköping.

The Group conducts a portion of its residential property projects as joint ventures and other than as mentioned above, notable joint ventures includes the development of 138 residential apartments in the Helix Tower in Stockholm which is done as a joint venture with Fastpartner AB

(publ), a joint venture with Sundprojekt AB relating to development of residential apartments in Ringstorp outside of Helsingborg and lastly a joint venture with Evolv Bostadsutveckling AB.

#### *Logistics, warehouse and light industry property projects*

The Group's commercial property assets are focused on logistics, warehouse and light industry properties. A large portion of the Group's direct and indirect projects are focused on project properties with development needs and the Group balances this risk exposure by having a portfolio of 13 cash flow generating logistics and warehouse properties with a run-rate net operating income of MSEK 30 (including the shares owned by JV partners) as per the unaudited interim financial report for the period ending 30 September. The top ten largest tenants account for approximately 51 per cent. of the total rental income of the Group (including rental income from non-consolidated entities, associated companies and minority holdings). The lease agreements with the Group's largest tenants have an average remaining duration of approximately 5.3 years (with portfolio average being 4.7 years).

Notable commercial assets projects include Strömbrytaren which is a joint venture between the Company and Peab AB (publ) for the purpose of converting a large industrial area in Himmelstalundsparken in Norrköping into a new residential district. The area will be developed in three stages with the zoning plan for the first stage being expected to gain legal force in 2022. Awaiting such approval, the properties are operated as commercial cash flow generating properties with a vacancy rate of approximately 12 per cent. and the tenants are kept on short term leases in order for the Company to be able to facilitate a smooth transition as the conversion into a residential project will begin.

The majority of commercial assets are held in a joint venture together with Evolv Properties AB of which the Company holds 70 per cent. of the voting right and that is focused on warehouse, logistics, light industry and office spaces. The joint venture holds 13 properties which are located in the greater Stockholm area, Östergötland and Mälardalen, with a vacancy rate of approximately 8 per cent. and a run-rate rental value of approximately MSEK 40.

The Group has a large commercial development project on going called Klinga Logistikpark. It is located outside of Norrköping and comprises approximately 20 hectares of land with the possibility of developing modern and sustainable logistics buildings with a total lettable area of approximately 100,000 sqm. The project is performed as a joint venture between the Company and local entrepreneurs and it is expected that the zoning plan is to gain legal force in 2021.

#### *Properties for public use*

A number of the Group's development projects contains facilities for use in the public sector such as kindergartens. The Group has a joint venture operation with Fondamentor focused on the development of school properties. The Group also has a joint venture together with other investors focused on assisted living properties and pre-schools. In total, the Group currently has 5 cash flow Properties for public use and 52 per cent. of the rental income of such properties can be derived from kindergartens and approximately 48 per cent. of the rental income from such properties can be derived from assisted living properties.

## Share capital and ownership structure

The shares of the Company are denominated in SEK. The ordinary shares of series A carry 10 votes each, the ordinary shares of series B carry 1 vote each and the preferential shares of series C carry 1 vote each. As of the date of this Prospectus, the Company had an issued share capital of SEK 555,878 divided into 61,684 shares of series A, 246,732 shares of series B and 247,462 preferential shares of series C. The Company has issued a total of 555,878 shares.

The following table sets forth the ownership structure in the Company as per the date of this Prospectus.

<i>Shareholder</i>	<i>No. of A shares</i>	<i>No. of B shares</i>	<i>No. of C pref. shares</i>	<i>Share capital</i>	<i>Voting Rights</i>
Slättö VAI Partners AB <sup>1</sup>	55,514	-	657	10.10%	50,03%
Etena Holding AB	6,170	-	73	1.12%	5,56%
Neptunia Invest AB	-	39,980	39,980	14.39%	7.19%
Synskadades Stiftelse	-	17,178	17,178	6.18%	3.09%
SEB AB, Luxembourg Branch	-	14,876	14,876	5.35%	2.68%
Other shareholders	-	174,698	174,698	62.86%	31.45%
<b>Total</b>	<b>61,684</b>	<b>246,732</b>	<b>247,462</b>	<b>100.00%</b>	<b>100.00%</b>

<sup>1)</sup> Slättö Förvaltning AB owns 80% of the shares in Slättö VAI Partners AB.

### Control over the Issuer

The Issuer is an AIF and is managed by the Management Company as described above, which is also the entity controlling approximately 50.03 per cent. of the votes in the Issuer through its majority ownership in Slättö VAI Partners AB. In addition to this, the shareholders of the Issuer have entered into a shareholder agreement limiting their control over the Issuer and the Issuer has entered into a management agreement with the Management Company. The indirect holdings by Slättö Förvaltning, in combination with the shareholder agreement and the management agreement allows Slättö Förvaltning to effectively control the operations of the Issuer.

In order to ensure that the control is not misused, customary mechanisms in fund structures are put in place such as regular reporting and disclosure to the shareholders allowing them to monitor the Management Company's operations. In addition to this, the Management Company is an authorised alternative investment fund manager under the supervision of the SFSA. This adds another layer of control as a whole set of compliance related rules must be adhered to and the SFSA monitors the Management Company's operations.

### Management shareholders – 12.23 per cent. of the share capital in the Company and 29.86 per cent. of the voting rights in the Company

The members of the board of directors of the Issuer and the management of the Issuer, direct and indirect, shareholdings are as follows:

- Johan Karlsson –21,616 A shares, 19,190 B shares and 19,446 preferential shares C via Brofund Group AB, Neptunia Invest AB (publ) and Slättö Förvaltning AB.

- Erik Dansbo –499 A shares, 0 B shares and 6 preferential shares C via Bysjön Holding AB and Slättö Förvaltning AB.
- Staffan Unge – 499 A shares, 0 B shares and 6 preferential shares C via Lumman AB, Delav AB and Slättö Förvaltning AB.
- Christian Bratt –6,689 A shares, 0 B shares and 79 preferential shares C via Etena Holding AB and Slättö Förvaltning AB.

### **Shareholders' agreement**

The shareholders in the Issuer have entered into a shareholders' agreement regulating the parties' various rights and obligations as regards their holding of shares in the Issuer. The agreements' main terms include e.g.:

- board composition: the board of directors of the Issuer shall consist of a maximum of six members with a maximum of six alternative members. The Management Company shall be entitled to propose board members and the shareholders have undertaken to appoint the board members proposed. The chairman of the board is appointed within the board. The Management Company further resolves and appoints board members in the various portfolio companies;
- significant decisions: resolutions regarding certain matters requires, as a main rule, that 2/3 of the votes cast at the shareholders' meeting is in favour of the proposal. Such decisions include change of the Issuer's share capital, certain value transfers, amendments to the articles of association, related party transactions not evident from the shareholders' agreement or the current business plan, and any material changes to the business;
- provisions limiting the shareholders' right to transfer any shares held in the Issuer without the prior written approval of the fund manager in accordance with the provisions in the shareholders' agreement;
- drag along provision applicable in case of an offer from a third party to acquire all shares in the Issuer; and
- terms in relation to certain breach of contract entitling non-breaching shareholders to acquire the breaching shareholder's shares.

### **Overview of Group structure**

On the date of this Prospectus, the Issuer has, directly and indirectly, 69 wholly-owned subsidiaries (excluding condominium associations (Sw. *bostadsrättsföreningar*)), seven joint venture companies where the Issuer has an ownership stake of 50 per cent. or more and two holdings where the issuer controls approximately 20 per cent. of the shares.

Operations are conducted by the subsidiaries and the Issuer is thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds.

**Recent events**

There has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Issuer's solvency.

**Significant change, trend information and financial performance**

There has been no material adverse change in the prospects of the Group since the date of publication of its last audited annual accounts and no significant change in the financial or trading position of the Group or the Group's financial performance since the end of the last financial period for which audited financial information has been published to the date of this Prospectus.

**Legal, governmental and arbitration proceedings**

Neither the Issuer nor the Group is, or has been over the past twelve months been, a party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. Nor is the Issuer aware of any such proceedings which are pending or threatening and which could lead to the Issuer or any member of the Group becoming a party to such proceedings.

**Credit rating**

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

## Management

On the date of this Prospectus the board of directors of the Issuer consisted of three members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at c/o Slättö Förvaltning AB, Grev Turegatan 19, 114 38 Stockholm, Sweden. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

#### ***Johan Karlsson, chairman of the board since 2020.***

**Education:** Studies in business law at Linköping University  
**Current commitments:** Chairman of the board in Brofund Group AB and Brofund Equity AB, CEO of Slättö Förvaltning AB, a member of the board of various other companies in the Slättö group and its affiliated companies.

#### ***Erik Dansbo, member of the board since 2020.***

**Education:** Master of science degree in finance from the Stockholm School of Economics.  
**Current commitments:** A member of the board of various other companies in the Slättö group and its affiliated companies.

#### ***Staffan Unge, member of the board since 2020.***

**Education:** Master of science degree in accounting and financial analysis from the Stockholm School of Economics.  
**Current commitments:** A member of the board of various other companies in the Slättö group and its affiliated companies.

### Management

#### **Christian Bratt, CEO since 2020**

**Education:** Master of science degree in finance and strategic management from Copenhagen Business School.  
**Current commitments:** A member of the board of various other companies in the Slättö group and its affiliated companies.

### Conflicts of interest within administrative, management and control bodies

Some members of the board of directors and management have private interests in the Issuer by their direct and indirect holding of shares in the Issuer. The members of the board of directors and the management may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the members of the board of directors or the management may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a board meeting of the Issuer, a board member which has such a conflict will abstain from voting for or against the approval of such participation, or the terms of such participation. In accordance with the laws of Sweden, the members of the board of directors of the Issuer are required to act honestly, in good faith and in the best interests of the Issuer. Other than the aforementioned, none of the board

members or the management has any private interests which may conflict with the interests of the Issuer.

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

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 Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners and/or its affiliates having previously engaged, or engaging in the future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

## Historical Financial Information

### Historical financial information

The Group's consolidated financial statements for the financial year ended 31 December 2019 and the figures for the financial year ended 31 December 2018 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. All such information is available on the Issuer's website, [slattovalueaddi.com](http://slattovalueaddi.com). Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

The Group's consolidated financial statements for the financial years ended 31 December 2019 and 31 December 2018 have been prepared in accordance with International Financial Reporting Standards ("*IFRS*") as adopted by the EU.

Other than the auditing of the Group's consolidated financial statements for the financial year ended 31 December 2019 and for the financial year ended 31 December 2018, the Group's auditor has not audited or reviewed any part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2019 is incorporated into this Prospectus by reference. For particular financial figures and information, please refer to the pages set out below:

- consolidated income statement, page 13;
- consolidated balance sheet, page 14 – 15;
- consolidated cash flow statement, page 17;
- consolidated statement of changes in equity, page 16;
- notes, pages 23 – 52; and
- the audit report, page 53 – 54.

The specific information set out below (as also stated in section "*Other information*" subheading "*Documents incorporated by reference*" in this Prospectus) from the Group's consolidated financial statements for the financial year ended 31 December 2018 is incorporated into this Prospectus by reference. The other information set out in the consolidated financial statements for the financial year ended 31 December 2018 is deemed to not be relevant for the purpose of the Prospectus Regulation as corresponding up to date information is included in the consolidated financial statements for the financial year ended 31 December 2019. For particular financial figures and information, please refer to the pages set out below:

- consolidated income statement, page 5;
- consolidated balance sheet, page 6-7;
- consolidated cash flow statement, page 9;

- consolidated statement of changes in equity, page 8;
- notes, pages 15 – 41; and
- the audit report, pages 42 – 43.

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

The Company's consolidated financial statements as at present and for the years 2019 to 2018 have been audited, as applicable, by Ernst & Young AB, Jakobsbergsgatan 24, 111 44 Stockholm, Sweden. Ernst & Young AB has been the Company's auditor since 2014, and was re-elected for an additional year on the latest annual general meeting. Mikael Ikonen is the auditor who is responsible for the Company. Mikael Ikonen is an authorised auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

The auditing of the consolidated financial statements was conducted in accordance with international standards on auditing and the audit reports were submitted without comment.

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

The most recent financial information has been taken from the consolidated financial statements for the financial year ended 31 December 2019, which was published on 21 February 2021 on the Issuer's website [slattovalueaddi.com](http://slattovalueaddi.com).

## Other Information

### Approval of the Prospectus

This Prospectus has been approved by Finansinspektionen, as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. Finansinspektionen only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 of the European Parliament and of the Council. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this prospectus nor of the Issuer that is the subject of this prospectus and investors should make their own assessment as to the suitability of investing in the securities.

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 500,000,000. Each Bond has a nominal amount of SEK 1,250,000. The ISIN for the Bonds is SE0015194147.

The Bonds have been issued in accordance with Swedish law. The Bonds are connected to the account-based system of Euroclear Sweden AB. No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear Sweden AB's book-entry system.

### Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders and can be accessed on the Issuer's website: [slattovalueaddi.com](http://slattovalueaddi.com).

### Material contracts

Other than as described under the section entitled "*Description of Material Agreements*" herein, the Group has not entered into any material contracts not in the ordinary course of its business and which may affect the Group's ability to fulfil its obligations under the Bonds.

### Documents incorporated by reference

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

- pages 13 – 17 and 23 – 54 from the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019; and
- pages 5 – 9 and 15 – 43 from the Group's consolidated financial statements for the financial year ended 31 December 2018, including the audit report for the financial year ended 31 December 2018.

**Documents available for inspection**

The following documents are available at the Company's headquarters at c/o Slättö Förvaltning AB, Grev Turegatan 19, 114 38 Stockholm, Sweden, on weekdays during the Company's regular office hours throughout the period of validity of this Prospectus.

- the Company's articles of association;
- the Company's certificate of registration; and
- the Terms and Conditions.

The following documents are also available in electronic form on the Company's website [slattovalueaddi.com](http://slattovalueaddi.com):

- the Company's articles of association;
- the Company's certificate of registration; and
- the Terms and Conditions.

**Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 250,000.

## Terms and Conditions of the Bonds

### 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 Bondholder has opened a Securities Account in respect of its Bonds.

"**Accounting Principles**" means 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 Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such Person is directly registered as owner of such Bonds.

"**Advance Purchase Agreements**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are no longer than 90 days after the supply of assets or services or (b) any other trade credit incurred in the ordinary course of business

"**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.

"**Bond**" means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions.

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

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 15 (*Bondholders' Meeting*).

"**Bond Issue**" means the issuance of the Bonds.

"**Bonds Outstanding**" means the Total Nominal Amount on the relevant Reference Date or test date (as applicable), less any Bonds held by the Issuer.

"**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.

**"Call Option Amount"** mean the amount set out in Clause 8.3 (*Voluntary Total Redemption (Call Option)*), as applicable.

**"Cash and Cash Equivalents"** means, at any time, (i) cash in hand held by the Issuer or with a reputable bank credited to an account in the name of the Issuer and in each case to which the Issuer is beneficially and legally entitled and which is immediately available to be applied in repayment or prepayment of the Bonds or payment of interest (for the avoidance of doubt, not including e.g. any cash subject to a pledge or similar arrangement (excluding legal right to set-off) or any amount standing on client accounts) and (ii) short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value of the Issuer

**"Change of Control Event"** means the occurrence of an event or series of events whereby one or more Persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders), 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 shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

**"Compliance Certificate"** means a certificate to the Trustee, in the agreed form between the Trustee and the Issuer, the signed by the CFO, the CEO or an authorised signatory of the Issuer, certifying (as applicable):

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, that the Incurrence Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated); and/or
- (c) if the Compliance Certificate is provided in connection with that a Financial Report is made available, that the Maintenance Covenants are met (including figures in respect of the relevant financial tests and the basis on which they have been calculated).

**"CSD"** means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

**"Debt Incurrence Test"** means the Debt Incurrence Test as set out in paragraph (a) of Clause 10.4 (*Incurrence Tests*).

**"Debt Instruments"** means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or an MTF.

**"Disbursement Date"** means the date of disbursement of the proceeds from the Escrow Account.

**"Dividend Incurrence Test"** means the Dividend Incurrence test as set out in paragraph (b) of Clause 10.4 (*Incurrence Tests*).

**"Dividend Repurchase Amount"** means the aggregate Nominal Amount of Bonds accepted for repurchase in a Dividend Repurchase Offer.

**"Dividend Repurchase Bonds"** means Bonds accepted for repurchase in a Dividend Repurchase Offer.

**"Dividend Repurchase Offer"** means a voluntary repurchase offer (tender offer) (*Sw. frivilligt återköpserbjudande*) made by the Issuer no earlier than on the date falling twelve months from the Issue Date to repurchase Bonds, provided that:

- (a) the Issuer is offering to repurchase Bonds with an aggregate Nominal Amount equal to or exceeding SEK 100,000,000;
- (b) the repurchase price in such offer shall amount to no less than the amount as set forth in the Call Option Amount for the relevant period but shall, for the period until the date falling 30 months after the Issue Date, be the price set out in Clause 8.3(a)(i)(A), in each case together with accrued but unpaid Interest;
- (c) the offer shall be made by the Issuer giving not less than 20 Business Days' notice, where such notice shall state the relevant Business Day on which the repurchase shall be made and the repurchase price, and the repurchase shall be made no later than on the next Interest Payment Date following such notice;
- (d) if the offer is over-subscribed, the repurchase shall be made *pro rata* in respect of the Bonds for which the offer has been accepted; and
- (e) any Bonds acquired in such offer shall be deposited and held on a blocked account in the name of the Issuer (and may not be sold nor cancelled except in connection with a redemption of the Bonds in full).

**"EBITDA"** means, in respect of the Reference Period, the consolidated profit of the Group 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 member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items which are not in line with the ordinary course of business provided that such items are not in excess of an amount equal to ten per cent. of EBITDA in the Reference Period;

- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (e) not including any accrued interest owing to any Group Company;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group;
- (j) after adding back any losses to the extent covered by any insurance and in respect of which insurance proceeds have been received by the Group; and
- (k) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

"**Equity**" means, in accordance with the Accounting Principles, the Group's consolidated sum of (i) restricted equity, (ii) non-restricted equity and (iii) any Shareholder Debt.

"**Escrow Account**" means a bank account of the Issuer, into which the Net Proceeds from the Bond Issue will be transferred and which has been pledged in favour of the Trustee and the Bondholders (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 on or prior to the Issue Date 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 Bondholders (represented by the Trustee).

"**Event of Default**" means an event or circumstance specified in any of the Clauses 12.1 (*Non-Payment*) to and including Clause 12.10 (*Continuation of the Business*).

"**Existing Debt**" means the Issuer's existing facility agreements with an outstanding aggregate principal amount of approximately SEK 400,000,000.

"**Final Maturity Date**" means 17 February 2025.

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

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

**"Finance Documents"** means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Escrow Account Pledge Agreement;
- (d) the Subordination Agreement; and
- (e) any other document designated by the Issuer and the Trustee as a Finance Document.

**"Finance Leases"** means any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the Accounting Principles applicable from time to time (a lease which in the accounts of the Group is treated as an asset and a corresponding liability).

**"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;
- (c) receivables sold or discounted (other than any receivables to the extent they are 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 the above paragraphs (a)-(f).

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

**"Financial Report"** means the Group's annual audited consolidated financial statements and quarterly interim unaudited reports and the Issuer's annual audited unconsolidated financial statements and quarterly interim unaudited reports, which shall be prepared and made available according to Clauses 9.1(a)(i) and 9.1(a)(ii).

**"Floating Rate Margin"** means 7.50 per cent. *per annum*.

**"Force Majeure Event"** has the meaning set forth in Clause 24(a).

**"Group"** means the Issuer and each of its Subsidiaries from time to time and **"Group Company"** means any of them.

**"Incurrence Test"** means the Debt Incurrence Test or the Dividend Incurrence Test.

**"Initial Nominal Amount"** has the meaning set forth in Clause 1.1(c).

**"Insolvent"** means, in respect of a relevant Person, that it is deemed to be insolvent, within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), admits inability to pay its debts as they fall due, suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

**"Interest"** means the interest on the Bonds calculated in accordance with Clauses 7(a) to 7(c).

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

**"Interest Payment Date"** means 17 February, 17 May, 17 August, and 17 November each year. The first Interest Payment Date shall be 17 May 2021. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a Business Day, the Business Day following from an application of the Business Day Convention.

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

**"Interest Rate"** means STIBOR 3 months plus the Floating Rate Margin.

**"Issue Date"** means 17 February 2021.

**"Issuer"** means Slättö Value Add AB I (publ), a public limited liability company incorporated in Sweden with reg. no. 556994-4464.

**"Issuer Equity"** means, in accordance with the applicable accounting principles from time to time, the Issuer's unconsolidated sum of (a) restricted equity, (b) non-restricted equity and (c) any Shareholder Debt.

**"Issuing Agent"** means Pareto Securities AB, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**"Joint Bookrunners"** means Pareto Securities AB and Swedbank AB (publ).

**"Listing Failure Event"** means that the Bonds have not been admitted to trading on Nasdaq First North or the corporate bond list of Nasdaq Stockholm or if such admission to trading is not possible to obtain or maintain, admitted to trading on another MTF or Regulated Market within 60 days after the Issue Date and with the intention to complete such admission to trading within 30 days after the Issue Date.

**"Main Shareholders"** means:

- (a) Slättö Förvaltning AB, reg. no. 556920-6724; and
- (b) Neptunia Invest AB (publ), reg. no. 556986-5453.

**"Maintenance Covenants"** means the maintenance covenants set out in Clause 10.1 (*Maintenance Covenants*).

**"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 any Regulated Market, MTF or other unregulated recognised market place.

**"Material Adverse Effect"** means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the Issuer's ability to comply with its obligations under the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

**"MTF"** means any multilateral trading facility as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

**"Net Finance Charges"** means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any member of the Group and any interest income relating to cash or cash equivalent investment (and excluding any interest capitalised on Shareholder Debt).

**"Net Proceeds"** means the proceeds from the Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Joint Bookrunners and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

**"Nominal Amount"** means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which that Bond has been redeemed in part pursuant to Clause 8.4 (*Voluntary Partial Redemption*).

**"Permitted Debt"** means any Financial Indebtedness:

- (a) incurred under the Bonds;
- (b) of the Group incurred pursuant to any Finance Leases relating to ground leases (Sw. *Arrenden*) or site leases (Sw. *Tomträtter*) in the ordinary course of business;
- (c) incurred by the Group pursuant to any leases relating to rentals of office spaces, warehouses and other premises;
- (d) of the Group under any guarantee issued by a Group Company or for the obligations of any Group Company;
- (e) incurred by the Issuer under any working capital facility in an aggregate amount not exceeding SEK 50,000,000;
- (f) arising under a foreign exchange transaction or a commodity transaction 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 the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (g) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (h) arising under cash pooling, netting or set off arrangements entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of Group Companies;
- (i) incurred under Advance Purchase Agreements;
- (j) incurred under any Shareholder Debt;
- (k) taken up from a Group Company (including under any cash pool arrangements);
- (l) incurred by a Group Company (other than the Issuer) in relation to projects and properties in the ordinary course of business;
- (m) incurred by a member of the Group:
  - (i) under any guarantee issued by or for the obligations of;
  - (ii) from (including under any cash pool arrangements); or
  - (iii) and arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other

instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of,

a joint venture or an associated entity if such Financial Indebtedness meets the Debt Incurrence Test on a *pro forma* basis;

- (n) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- (o) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds;
- (p) incurred under any pension and tax liabilities in the ordinary course of business by any Group Company;
- (q) until the Disbursement Date, any Existing Debt; and
- (r) not covered under paragraphs (a)-(q) above in an aggregate maximum amount of SEK 10,000,000.

**"Permitted Security"** means any Security:

- (a) provided under the Finance Documents;
- (b) granted over the Escrow Account;
- (c) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or Security in respect of any monies borrowed or raised);
- (d) provided in relation to any lease agreement entered into by a Group Company;
- (e) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (f) provided for any guarantees issued by a Group Company or for the obligations of any Group Company, in the ordinary course of business;
- (g) until the Disbursement Date, provided for any Existing Debt;
- (h) provided pursuant to items (b), (e), (f), (g), (l), (m), (o) and (p) of the definition of Permitted Debt; and

- (i) not covered under paragraphs (a)-(h) above securing an aggregate maximum amount of SEK 10,000,000.

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

**"Properties"** means the properties owned by the Group from time to time.

**"Quotation Day"** means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period.

**"Record Date"** means the fifth Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 13 (*Distribution of Proceeds*), (iv) the date of a Bondholders' Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**"Redemption Date"** means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 8 (*Redemption and Repurchase of the Bonds*).

**"Reference Date"** means 31 March, 30 June, 30 September and 31 December.

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

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

**"Restricted Payment"** has the meaning set forth in Clause 11.2(a).

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

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

**"Shareholder Debt"** means any loan made to the Issuer by a shareholder of the Issuer or a joint venture partner, if such loan:

- (a) is subordinated to the obligations of the Issuer under these Terms and Conditions pursuant to the Subordination Agreement;
- (b) according to its terms have a final redemption date or, when applicable, early redemption dated or instalment dates which occur after the Final Redemption Date; and

- (c) according to its terms yield only payment-in-kind interest.

"**STIBOR**" means:

- (a) the applicable percentage rate per annum of the Stockholm interbank offered rate for STIBOR fixing administered and calculated by the Swedish Financial Benchmark Facility (or any other person which takes over the administration of that rate) and displayed on the appropriate Reuters screen (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by 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
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

"**Subordination Agreement**" means the subordination agreement entered into between, amongst others, the Issuer, the Trustee and any creditor providing Shareholder Debt.

"**Subsidiary**" means, any legal entity (whether incorporated or not), in respect of which such Person, directly or indirectly:

- (a) owns shares or ownership rights representing more than 50 per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than 50 per cent. of the total number of votes held by the owners; or
- (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

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

"**Total Assets**" means the consolidated book value of all assets of the Group according to the latest Financial Report(s), calculated in accordance with the Accounting Principles.

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

"**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 Bond Issue, and (ii) the listing of the Bonds.

"**Trustee**" means Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Trustee, in accordance with these Terms and Conditions.

"**Trustee Agreement**" means the agency agreement entered into prior to the Issue Date, between the Issuer and the Trustee, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent.

"**Voluntary Prepayment Amount**" means an amount equivalent to (a) the aggregate amount required to make a prepayment on the Bonds where the Nominal Amount of Bonds not constituting Dividend Repurchase Bonds is prepaid with an aggregate amount of SEK 100,000,000 less (b) the Dividend Repurchase Amount.

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 16 (*Written Procedure*).

## 1.1 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
- (i) "**assets**" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "**regulation**" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- (c) 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.

- (d) No delay or omission of the Trustee or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- (e) The privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Trustee.

## 2. Status of the Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The initial nominal amount of each Bond is SEK 1,250,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Bonds is SEK 500,000,000. All Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Initial Nominal Amount.
- (d) The minimum permissible investment in the Bond Issue is SEK 1,250,000.
- (e) The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (f) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (g) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

## 2. Use of Proceeds

The proceeds from the Bond Issue shall be used to (i) refinance the Existing Debt, (ii) finance general corporate purposes of the Group (including investments and acquisitions) and (iii) finance Transaction Costs.

### 3. Conditions Precedent

#### 3.1 Conditions Precedent for the Issue Date

- (a) The Issuer shall provide to the Trustee, or procure the provision of, to the satisfaction of the Trustee, no later than 9:00 a.m. three Business Days prior to the Issue Date (or such later time as agreed to by the Trustee):
  - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Trustee), together constituting evidence that the Finance Documents have been duly executed;
  - (ii) copies of the Terms and Conditions, the Agency Agreement, and the Escrow Account Pledge Agreement, duly executed; and
  - (iii) evidence that the Security under the Escrow Account Pledge Agreement has been perfected.
- (b) The Trustee may assume that the documentation and evidence delivered to it pursuant to Clauses 3.1 and 3.2 (*Conditions Precedent for Disbursement*) 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. The Trustee does not have any obligation to review the documentation and evidence referred to in Clauses 3.1 and 3.2 (*Conditions Precedent for Disbursement*) from a legal or commercial perspective of the Bondholders.
- (c) The Trustee shall confirm to the Issuing Agent when it is satisfied that the conditions in Clauses 3.1(a) have been fulfilled (or amended or waived in accordance with Clause 17 (*Amendments and Waivers*)). The Bond Issue shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent no later than 10 a.m. on the date of the Bond Issue (or later, if the Issuing Agent so agrees, or (ii) if the Issuing Agent and the Issuer agree to cancel the Bond Issue.
- (d) Following receipt by the Issuing Agent of the confirmation in accordance with Clause 3.1(c), the Issuing Agent shall, as applicable, settle the issuance of the Bonds and pay the Net Proceeds into the Escrow Account on the Issue Date.

#### 3.2 Conditions Precedent for Disbursement

- (a) The Net Proceeds of the offering of the Bonds shall be paid by the Issuing Agent into the Escrow Account, as soon as practical, following confirmation from the Trustee to the Issuing Agent that the conditions precedent in Clause 3.1(a) (*Conditions Precedent for the Issue Date*) have been fulfilled.
- (b) When the following have been received to the satisfaction of the Trustee (acting reasonably), the Trustee shall instruct the bank (with which the Issuer holds the Escrow Account) to transfer the funds standing to the credit on the Escrow Account

from the Escrow Account for the purpose set out in Clause 2 (*Use of Proceeds*), and the Trustee shall thereafter or in connection therewith release the pledge over the Escrow Account:

- (i) copies of the remaining Finance Documents, duly executed;
  - (ii) evidence by way of a funds flow that Existing Debt will be repaid in full on the Disbursement Date; and
  - (iii) an agreed form Compliance Certificate.
- (c) If the Trustee determines (acting reasonably) that it has not received the conditions precedent set out in Clause 3.2(b) within 60 Business Days from the Issue Date, the Issuer shall redeem all Bonds at a price equal to 100 per cent. of the Initial Nominal Amount together with any accrued but unpaid Interest. The funds standing to the credit on the Escrow Account shall in such case be applied to redeem the Bonds on behalf of the Issuer. Any shortfall shall be covered by the Issuer. The redemption date shall fall no later than 30 Business Days after the ending of the 60 Business Days period referred to above.
- (d) A redemption in accordance with Clause 3.2(c) shall be made by the Issuer giving notice to the Bondholders and the Trustee promptly following the date when the redemption obligation is triggered pursuant to Clause 3.2(c) (being the date immediately following the ending of the 60 Business Days period referred to above). The notice shall specify the redemption date and the Record Date for the redemption.

#### **4. Bonds in Book-Entry Form**

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes 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.
- (b) 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.
- (c) 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.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.

- (e) 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 Bondholders.

## **5. Right to Act on Behalf of a Bondholder**

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney or other authorisation to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) 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 5(b) 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.

## **6. Payments in Respect of the Bonds**

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due 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.
- (b) If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) 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 without any default interest in accordance with Clause 7(d) during such postponement.

- (d) If payment or repayment is made in accordance with this Clause 6, 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.
- (e) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **7. Interest**

- (a) Each Bond carries Interest at the Interest Rate from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) 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).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two per cent. higher 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.

## **8. Redemption and Repurchase of the Bonds**

### **8.1 Redemption at Maturity**

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

### **8.2 Issuer's Purchase of Bonds**

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled except in connection with a redemption of the Bonds in full.

### **8.3 Voluntary Total Redemption (Call Option)**

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
  - (i) any time from and including the Issue Date to, but excluding, the date falling 30 months after the Issue Date at an amount per Bond equal to the sum of (A) 103.75 per cent. of the Nominal Amount, and (B) the remaining

interest payments, calculated in accordance with Clause 8.3(c), up to, but excluding, the date falling 30 months after the Issue Date together with accrued but unpaid Interest;

- (ii) any time from and including the date falling 30 months after the Issue Date to, but excluding, the date falling 36 months after the Issue Date at an amount per Bond equal to 102.625 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the date falling 36 months after the Issue Date to, but excluding, the date falling 42 months after the Issue Date at an amount per Bond equal to 101.875 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
  - (iv) any time from and including the date falling 42 months after the Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.75 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 8.3(a) shall be made by the Issuer giving not less than 15 Business Days' notice to the Bondholders and the Trustee. The notice shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 8.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant record date to, but excluding, the date falling 30 months after the Issue Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant record date shall be agreed upon between the Issuer, the CSD and the Trustee in connection with such repayment.

#### **8.4 Voluntary Partial Redemption**

- (a) Subject to the completion of a Dividend Repurchase Offer, on or after the first Business Day falling 18 months from the Issue Date, the Issuer may at one occasion redeem the Bonds in an aggregate amount not exceeding the Voluntary Prepayment Amount. The partial repayment shall reduce the Nominal Amount of each Bond *pro rata* (rounded down the nearest SEK 1.00). The Bonds shall be redeemed at the Call Option Amount for the relevant period but, shall for the period until the date falling 30 months after the Issue Date, be the price set out in Clause 8.3(a)(i)(A), in each case together with accrued but unpaid Interest. The repayment must occur on an Interest Payment Date.
- (b) Partial redemption in accordance with this Clause 8.4 shall be made by the Issuer giving not less than 20 Business Days' notice to the Bondholders and the Trustee. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound

to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in SEK and paid to the Person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

## **8.5 Mandatory Repurchase Due to a Change of Control Event or a Listing Failure Event (Put Option)**

- (a) Upon the occurrence of a Change of Control Event or a Listing Failure Event each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of 20 Business Days following a notice from the Issuer of the Change of Control Event or the Listing Failure Event pursuant to Clause 9.1(e) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or the Listing Failure Event.
- (b) The notice from the Issuer pursuant to Clause 9.1(e) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer 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 Clause 9.1(e). The repurchase date must fall no later than 20 Business Days after the end of the period referred to in Clause 8.5(a).
- (c) 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 8.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 8.5 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 8.5 may at the Issuer's discretion be retained or sold, but not cancelled (except in connection with a redemption of the Bonds in full).

## **9. Information to Bondholders**

### **9.1 Information from the Issuer**

- (a) The Issuer shall make the following information available in the English language (however the reports delivered pursuant to item (i) below for the financial year ended 31 December 2020 may be delivered in Swedish) by publication on the website of the Issuer:
  - (i) as soon as the same become available, but in any event within four months after the end of each financial year, the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a

balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and

- (ii) as soon as the same become available, but in any event within two months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated reports or the year-end report (Sw. *bokslutskommuniké*) (as applicable) of the Group and the quarterly interim unaudited unconsolidated reports or the year-end report (as applicable) 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, with the first reports being delivered for the financial quarter ending 31 March 2021.
- (b) Any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (c) When the Bonds have been listed on a Regulated Market:
  - (i) the information set out in Clause 9.1(a) shall also be made available by way of press release; and
  - (ii) the reports referred to in Clause 9.1(a)(i) and Clause 9.1(a)(ii) shall be prepared in accordance with IFRS.
- (d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 9.1(a), the Issuer shall send copies of such financial statements and other information to the Trustee.
- (e) The Issuer shall promptly notify the Trustee and the Bondholders upon becoming aware of the occurrence of a Change of Control Event or a Listing Failure Event and shall provide the Trustee with such further information as the Trustee may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- (f) If requested by the Trustee (acting reasonably), promptly provide the Trustee with information relating to any transaction under Clause 11.8 (*Disposal of Assets*) or Clause 12.7 (*Mergers and Demergers*), together with a determination from the Issuer which states whether the transaction has a Material Adverse Effect or not and, with respect to a transaction pursuant to Clause 11.8 (*Disposal of Assets*), is carried out at fair market value and on terms and conditions customary for such transaction or not. The Trustee is not responsible for assessing if the transaction is carried out on at fair market value 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.
- (g) The Issuer shall promptly notify the Trustee (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event

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

- (h) The Issuer shall submit a duly executed Compliance Certificate to the Trustee:
  - (i) in connection with the testing of the Incurrence Test;
  - (ii) in connection with that a Financial Report is made available; and
  - (iii) at the Trustee's request, within 20 days from such request.
- (i) The Trustee may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (f) and (g) above is correct, and the Trustee shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (j) The Issuer is only obliged to inform the Trustee according to this Clause 9.1 if informing the Trustee would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market 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 this Clause 9.1.

## **9.2 Information from the Trustee**

- (a) Subject to applicable laws, regulations and the restrictions of a non-disclosure agreement entered into by the Trustee in accordance with Clause 9.2(b), the Trustee is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Trustee may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Trustee shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

### 9.3 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any documents amending these Terms and Conditions) shall be available on the websites of the Issuer and the Trustee.
- (b) The latest version of the Finance Documents shall be available to the Bondholders at the office of the Trustee during the Trustee's normal business hours.

## 10. Financial Undertakings

### 10.1 Maintenance Covenants

The Issuer shall ensure that:

- (a) the Equity to Total Assets exceeds 35 per cent.;
- (b) the Issuer Equity to Bonds Outstanding exceeds 1.50:1; and
- (c) either:
  - (i) the Interest Coverage Ratio is more than 1.50:1; or
  - (ii) the Cash and Cash Equivalents of the Issuer is at least an amount equivalent to the upcoming six months Interest payable under the Bonds.

### 10.2 Testing of the Maintenance Covenants

The Maintenance Covenants shall be calculated in accordance with the Accounting Principles applicable to the Issuer and tested by reference to each of the Financial Reports on each Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be 31 March 2021.

### 10.3 Equity Cure

- (a) If there is a breach of any of the Maintenance Covenants, no Event of Default will occur if, within 20 Business Days of the earlier of (i) a delivery of the relevant Compliance Certificate evidencing that breach and (ii) the date when such Compliance Certificate should have been delivered in accordance with the Terms and Conditions, the Issuer has received equity injection in cash in the form of a share issue or an unconditional shareholder contribution in an amount sufficient to ensure compliance with the relevant Maintenance Covenant, as at the relevant Reference Date (the "**Cure Amount**").
- (b) Any Equity Cure must be made in cash and no more than three Equity Cures are to be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.
- (c) Upon the making of an Equity Cure, the calculation of Equity, Issuer Equity and Cash and Cash Equivalents shall be adjusted so that Equity, Issuer Equity and Cash and

Cash Equivalents for the Reference Period is increased with an amount equal to the Cure Amount. For the avoidance of doubt, there will be no EBITDA cure.

#### 10.4 Incurrence Tests

- (a) The Incurrence Test for Financial Indebtedness (the "**Debt Incurrence Test**") is met if:
  - (i) the Equity to Total Assets exceeds 40 per cent.; and
  - (ii) no Event of Default is continuing or would occur upon the incurrence.
- (b) The Incurrence Test for a Restricted Payment (the "**Dividend Incurrence Test**") is met if:
  - (i) the Equity to Total Assets exceeds 40 per cent.;
  - (ii) the Issuer Equity to Bonds Outstanding exceeds 2.50:1; and
  - (iii) no Event of Default is continuing or would occur upon the payment.

#### 10.5 Testing of the Incurrence Tests

- (a) For the purpose of the testing of the Incurrence Tests, the calculation of the ratio of Equity to Total Assets or Issuer Equity to Bonds Outstanding (as applicable) shall be made for a Reference Period ending on the last day of the period covered by the Financial Report as of the most recent Reference Date for which a Financial Report has been published, adjusted for any events affecting such ratios after such Reference Date and include the contemplated incurrence of new Financial Indebtedness or Restricted Payment.

#### 10.6 Calculation Adjustments

- (a) The figures for EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Maintenance Covenant, but adjusted so that:
  - (i) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period;
  - (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period; and
  - (iii) the net cost savings realisable for the Group during the next twelve months as a result of acquisitions and/or disposals of entities referred to in (i) and (ii) above, provided that:

- (A) the aggregate of such net cost savings and adjustments to EBITDA in respect of certain extraordinary or exceptional items made pursuant to paragraph (c) in the definition of "EBITDA" do not exceed an aggregate maximum amount of ten per cent. of EBITDA for the Reference Period; and
  - (B) such savings are confirmed in writing by a reputable accounting firm.
- (b) The figures for Net Finance Charges set out in the Financial Report as of the most recent quarter date (including when necessary, financial statements published before the Issue Date), shall be used, but adjusted so that Net Finance Charges for such Reference Period shall be:
- (i) reduced to reflect any Net Finance Charges attributable to a disposed entity or which has been repaid, repurchased, defeased or otherwise discharged as a result of or in connection with a disposal of an entity (to the extent such Net Finance Charges is included in the relevant Financial Report);
  - (ii) increased on a *pro forma* basis by an amount equal to the Net Finance Charges directly attributable to (i) any Financial Indebtedness owed by acquired entities and (ii) any Financial Indebtedness incurred to finance the acquisition of entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant Reference Period; and
  - (iii) increased on a *pro forma* basis by an amount equal to the Net Finance Charges directly attributable to any Financial Indebtedness permitted pursuant to paragraph (k) of the definition of "Permitted Debt", calculated as if such debt had been incurred at the beginning of the relevant Reference Period.

## 11. General Undertakings

### 11.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 11 for as long as any Bonds remain outstanding.

### 11.2 Restricted Payments

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
- (i) pay any dividend on its shares;
  - (ii) repurchase or redeem any of its own shares;
  - (iii) redeem or reduce its share capital or other restricted equity with repayment to its shareholders;

- (iv) repay any Shareholder Debt or pay capitalised or accrued interest thereunder; or
- (v) make any other similar distribution or transfers of value to the direct or indirect shareholders of the Issuer, or any Affiliates of the Issuer,

(paragraphs (i)-(v) above are together and individually referred to as a "**Restricted Payment**").

- (b) Notwithstanding the above, a Restricted Payment may be made:
  - (i) to the Issuer or a, direct or indirect, Subsidiary of the Issuer but, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on, at least, a *pro rata* basis; and/or
  - (ii) if the Dividend Incurrence Test is met (calculated on a *pro forma* basis including the relevant Restricted Payment); and
    - (A) during the financial year 2021, if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group (other than payments permitted under paragraph (i) above) in that fiscal year (including the Restricted Payment in question) does not exceed SEK 110,000,000; or
    - (B) during the financial year 2022 or anytime thereafter, if, in case the aggregate amount of all Restricted Payments of the Group (other than payments permitted under paragraph (i) above) in that fiscal year (including the Restricted Payment in question) exceeds SEK 110,000,000, at the time of the payment, a Dividend Repurchase Offer has been completed.

### 11.3 Listing

The Issuer shall ensure that:

- (a) the 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 another Regulated Market within twelve months after the Issue Date; and
- (b) once admitted to trading, that the Bonds continue to be admitted to trading on the relevant (i) MTF, unless the Bonds have been successfully admitted to trading on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) or (ii) the relevant Regulated Market, in each case as long as any Bonds are outstanding (however, taking into account the rules and regulations of the relevant Regulated Market or MTF (as applicable) and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

#### **11.4 Nature of Business**

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

#### **11.5 Financial Indebtedness**

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur, prolong or renew any Financial Indebtedness, provided however that the Issuer and its Subsidiaries have a right to incur, prolong or renew Financial Indebtedness that constitutes Permitted Debt.

#### **11.6 Loans Out**

The Issuer shall not, and shall procure that none of its Subsidiaries will, extend or grant any loans other than:

- (a) to the Issuer or to a Subsidiary of the Issuer;
- (b) to a joint venture or an associated entity (*Sw. Intressebolag*) of a Group Company ;
- (c) to a joint venture partner for the purpose of funding the relevant joint venture, provided that it is made on arm's length terms and does not have a Material Adverse Effect;
- (d) in the form of a vendor note in connection with a disposal, provided that it is made on arm's length terms and the Debt Incurrence Test is met (tested on a *pro forma* basis); or
- (e) in the ordinary course of business,

provided that, in relation to loans under paragraph (a) above, if such loan is made to a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, and in relation to loans under paragraph (b) above, (i) it is made on at least a *pro rata* basis or (ii) the Debt Incurrence Test is met.

#### **11.7 Investment Undertaking**

The Issuer shall, and shall procure that its Subsidiaries will, ensure that any new investments or acquisitions of the Group, other than investments in or acquisitions of residential, light industrial, logistics, warehouse and/or public property assets, shall be limited to an aggregate maximum amount of SEK 200,000,000 during the life of the Bonds.

#### **11.8 Disposal of Assets**

The Issuer shall not, and shall procure that none of its Subsidiaries will, sell or otherwise dispose of any shares in any Group Company or of any substantial assets (including but not limited to material intellectual property rights) or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out at fair

market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

### **11.9 Negative Pledge**

The Issuer shall not, and shall procure that none of its Subsidiaries will, provide, prolong or renew any Security over any of its/their assets (present or future), provided however that the Issuer and the Group have a right to provide, retain, prolong or renew, any Permitted Security.

### **11.10 Dealings with Related Parties**

The Issuer shall, and shall procure that its Subsidiaries will, conduct all dealings with their direct and indirect shareholders (excluding the Issuer and any of its Subsidiaries) and/or any Affiliates of such direct and indirect shareholders on arm's length terms.

### **11.11 Insurance**

The Issuer shall, and shall procure that its Subsidiaries 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.

### **11.12 Compliance with Laws and Authorisations**

The Issuer shall, and shall procure that its Subsidiaries will:

- (a) comply with all laws and regulations applicable from time to time; and
- (b) obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence, registration or other permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

### **11.13 Environmental**

The Issuer shall, and shall procure that its Subsidiaries will, comply with all environmental laws and obtain, maintain and ensure compliance with all requisite environmental permits, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

### **11.14 Property Specific Undertakings**

The Issuer shall ensure that the Properties are managed properly and maintained in good condition.

### **11.15 Confirmation of release of security under Existing Debt**

The Issuer shall, as soon as practically possible, provide the Trustee with a confirmation that Security granted in favour of the Existing Debt has been released and discharged in connection with the repayment of the Existing Debt.

### **11.16 CSD**

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

### **11.17 Agency Agreement**

- (a) The Issuer shall, in accordance with the Agency Agreement:
  - (i) pay fees to the Trustee;
  - (ii) indemnify the Trustee for costs, losses and liabilities;
  - (iii) furnish to the Trustee all information reasonably requested by or otherwise required to be delivered to the Trustee; and
  - (iv) not act in a way which would give the Trustee a legal or contractual right to terminate the Trustee Agreement.
- (b) The Issuer and the Trustee shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interest of the Bondholders.

## **12. Events of Default and Acceleration of the Bonds**

Each of the events or circumstances set out in this Clause 12 (other than Clause 12.11 (*Acceleration of the Bonds*)) is an Event of Default.

### **12.1 Non-Payment**

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless:

- (a) its failure to pay is caused by administrative or technical error and
- (b) payment is made within five Business Days of the due date.

### **12.2 Maintenance Covenants**

The Issuer has failed to comply with any of the Maintenance Covenants and such failure has not been cured in accordance with provisions for the equity cure set out in Clause 10.3 (*Equity Cure*).

### **12.3 Other Obligations**

A party (other than the Trustee) fails to comply with the Finance Documents, in any other way than as set out in Clauses 12.1 (*Non-Payment*) and 12.2 (*Maintenance Covenants*), provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer or that party has remedied the failure within 15 Business Days of the earlier (i) the Issuer or that party becoming aware of the failure to comply and (ii) the Trustee requesting the Issuer in writing to remedy such failure (if the failure or violation is

not capable of being remedied, the Trustee may declare the Bonds due and payable without such prior written request).

#### **12.4 Cross Payment Default and Cross-Acceleration**

Any Financial Indebtedness of a Group Company is:

- (a) not paid when due as extended by any originally applicable grace period; or
- (b) 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 Clause 13.4 if (i) 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 or under Shareholder Debt.

#### **12.5 Insolvency**

- (a) Any Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (except for Bondholders) with a view to rescheduling its Financial Indebtedness.
- (b) A moratorium is declared in respect of the Financial Indebtedness of any Group Company.

#### **12.6 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 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:

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

#### **12.7 Mergers and Demergers**

A decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger between the Issuer and a Subsidiary, where the Issuer is the surviving entity, shall not be considered

an Event of Default and 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.

## **12.8 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 5,000,000 and is not discharged within 60 days.

## **12.9 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.

## **12.10 Continuation of the Business**

The Issuer or any other Group Company ceases to carry on its business (other than (i) following a Permitted Merger, (ii) a solvent liquidation permitted pursuant to Clause 12.6 (*Insolvency Proceedings*) above or (iii) a disposal permitted under the Finance Documents), if such discontinuation is likely to have a Material Adverse Effect.

## **12.11 Acceleration of the Bonds**

- (a) Upon the occurrence of an Event of Default which is continuing, the Trustee is entitled to, and shall following an instruction given pursuant to Clause 12.11(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Trustee determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Trustee may not accelerate the Bonds in accordance with Clause 12.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Trustee shall notify the Bondholders of an Event of Default within five Business Days of the date on which the Trustee received actual knowledge of that an Event of Default has occurred and is continuing. The Trustee shall, within 20 Business Days of the date on which the Trustee received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Trustee decides not to accelerate the Bonds, the Trustee shall promptly seek instructions from the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*). The Trustee shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Trustee to accelerate the Bonds, the Trustee shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Trustee, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate 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 acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 12.11, the Issuer shall up to, but excluding, the date falling 30 months after the Issue Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 8.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

### 13. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 12 (*Events of Default and Acceleration of the Bonds*) shall be distributed in the following order of priority:
  - (i) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Trustee, (iii) any costs incurred by the Trustee for external experts that have not been reimbursed by the Issuer in accordance with Clause 18.2(g), and (iv) any costs and expenses incurred by the Trustee in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 14(m);
  - (ii) *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);
  - (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (iv) *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 (i) to (iv) above shall be paid to the Issuer.

- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14(a).
- (c) Funds that the Trustee receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of Security under the Escrow Account Pledge Agreement constitute escrow funds (*Sw. redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Trustee shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.
- (d) If the Issuer or the Trustee shall make any payment under this Clause 14, the Issuer or the Trustee, as applicable, shall notify the Bondholders of any such payment at least 15 Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7(a) shall apply and for any partial redemption in accordance with Clause 9.4 (*Voluntary partial redemption*) due but not made, the Record Date specified in Clause (9.4) shall apply.

#### **14. Decisions by Bondholders**

- (a) A request by the Trustee for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Trustee) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Trustee and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Trustee and dealt with at a Bondholders' Meeting or by way 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 Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Trustee may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Trustee that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a Person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause 5 (*Right to Act on Behalf of a Bondholder*) from a Person who is, registered as a Bondholder:

- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
- (ii) on the Business Day specified in the communication pursuant to Clause 16(c), in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

- (e) The following matters shall require the consent of Bondholders representing at least 66 2/3 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16(c):
  - (i) a change to the terms of any of Clause 1.1(a), and Clauses 1.1(e) to 1.1(g);
  - (ii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 8 (*Redemption and Repurchase of the Bonds*);
  - (iii) a change to the Interest Rate or the Nominal Amount (other than as a result of an application of Clause 8.4 (*Voluntary Partial Redemption*));
  - (iv) waive a breach of or amend an undertaking set out in Clause 11 (*General Undertakings*);
  - (v) a change to the terms for the distribution of proceeds set out in Clause 13 (*Distribution of Proceeds*);
  - (vi) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 14;
  - (vii) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
  - (viii) a mandatory exchange of the Bonds for other securities; and
  - (ix) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 12 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by Clause 14(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 17(a)(i) or 17(a)(ii)), an acceleration of the Bonds.

- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least 50 per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 14(e), and otherwise 20 per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.

If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Trustee or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 15(a)) or initiate a second Written Procedure (in accordance with Clause 16(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 14(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) 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.
- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All costs and expenses incurred by the Issuer or the Trustee for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Trustee, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders 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) 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.

- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Trustee, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Trustee, as applicable.

## **15. Bondholders' Meeting**

- (a) The Trustee shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Trustee, it may convene a Bondholders' Meeting in accordance with Clause 15(a) with a copy to the Trustee. After a request from the Bondholders pursuant to Clause 18.4(c), the Issuer shall no later than five Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 15(a).
- (c) The notice pursuant to Clause 15(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than 15 Business Days and no later than 30 Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Trustee may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **16. Written Procedure**

- (a) The Trustee shall instigate a Written Procedure (which may be conducted electronically) no later than five Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.

- (b) Should the Issuer want to replace the Trustee, it may send a communication in accordance with Clause 16(a) to each Bondholder with a copy to the Trustee.
- (c) A communication pursuant to Clause 16(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least 15 Business Days from the communication pursuant to Clause 16(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 14(e) and 14(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 14(e) or 14(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 17. Amendments and Waivers

- (a) The Issuer and the Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Trustee shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 17(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 9.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority, to the extent such registration is possible with the rules of the relevant CSD.

- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Trustee, as the case may be.

## **18. Appointment and Replacement of the Trustee**

### **18.1 Appointment of Trustee**

- (a) By subscribing for Bonds, each initial Bondholder appoints the Trustee to act as its Trustee in all matters relating to the Bonds and the Finance Documents, and authorises each of 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 Bondholder.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Trustee to act on its behalf, as set forth in Clause 18.1(a).
- (c) Each Bondholder shall immediately upon request provide the Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Trustee is not under any obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Trustee with any documents and other assistance (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Trustee is entitled to fees for its respective 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 Trustee under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Trustee may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### **18.2 Duties of the Trustee**

- (a) The Trustee shall represent the Bondholders subject to and in accordance with the Finance Documents on behalf of the Bondholders and, where relevant, enforcing the Security under the Escrow Account Pledge Agreement on behalf of the Bondholders. The Trustee is not responsible for the content, valid execution, legal validity or enforceability of the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Trustee is always acting with binding effect on behalf of the Bondholders. The Trustee shall carry out

its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

- (c) The Trustee's duties under the Finance Documents are solely mechanical and administrative in nature and the Trustee only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, the Trustee is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) The Trustee is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Trustee is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) The Trustee is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) The Trustee shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- (g) 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 after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Trustee reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer which the Trustee reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Trustee and the Issuer. 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 13 (*Distribution of Proceeds*).
- (h) 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.
- (i) If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), 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.

- (j) Unless it has actual knowledge to the contrary, the Trustee may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) The Trustee shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Trustee under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 18.2(i).

### **18.3 Limited liability for the Trustee**

- (a) The Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Trustee shall not be responsible for indirect loss.
- (b) The Trustee shall not be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) 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 it to the Bondholders, provided that it 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 it for that purpose.
- (d) The Trustee shall not have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) 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 Bondholders under the Finance Documents.
- (f) The Trustee is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

### **18.4 Replacement of the Trustee**

- (a) Subject to Clause 18.4(f), the Trustee may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Trustee at a Bondholders' Meeting convened by the retiring Trustee or by way of Written Procedure initiated by the retiring Trustee.
- (b) Subject to Clause 18.4(f), if the Trustee is Insolvent, the Trustee shall be deemed to resign as Trustee and the Issuer shall within ten Business Days appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as Trustee under debt issuances.

- (c) A Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Trustee and appointing a new Trustee. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Trustee be dismissed and a new Trustee be appointed.
- (d) If the Bondholders have not appointed a successor Trustee within 90 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 Bondholders, 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.
- (e) 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.
- (f) 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.
- (g) 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 Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Trustee.
- (h) In the event that there is a change of the Trustee in accordance with this Clause 18.4, 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.

## **19. Appointment and Replacement of the CSD**

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD regulations and the other regulations applicable to the Bonds.

- (b) The CSD may retire from its assignment or be dismissed by the Issuer provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder. The replacing CSD must be authorized to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) or Regulation (EU) no. 909/2014 and be authorized as a central securities depository in accordance with the Financial Instruments Accounts Act.

## 20. Appointment and Replacement of the Issuing Agent

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

## 21. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer 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 in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 21(a) shall not apply if the Trustee has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 18.1(c)), 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 18.2(i), such failure must continue for at least 40 Business Days after notice pursuant to Clause 18.2(k) before a Bondholder may take any action referred to in Clause 21(a).
- (c) The provisions of Clause 21(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 8.5 (*Mandatory Repurchase Due to a Change of Control Event or a Listing Failure Event (Put Option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## 22. Prescription

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

## 23. Notices and Press Releases

### 23.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) 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 the email address notified by the Trustee from time to time;
  - (ii) 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 the email address notified by the Issuer to the Trustee from time to time; and
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if practically possible) or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Trustee.
- (b) Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or if between the Issuer and the Trustee, by email, and will only be effective:
  - (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1(a);
  - (ii) in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1(a); or

- (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.
- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## 23.2 Press releases

- (a) Any notice that the Issuer or the Trustee shall send to the Bondholders pursuant to a Dividend Repurchase Offer and Clauses 3.2(d), 8.3 (*Voluntary Total Redemption (Call Option)*), 8.4 (*Voluntary Partial Redemption*), 8.5 (*Mandatory Repurchase Due to a Change of Control Event or a Listing Failure Event (Put Option)*), 9.1(e), 12.11(c), 14(o), 15(a), 16(a) and 17(c) shall also be published by way of press release by the Issuer or the Trustee, as applicable.
- (b) In addition to Clause 23.2(a), if any information relating to the Bonds or the Issuer contained in a notice the Trustee may send to the Bondholders 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 Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Trustee considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Trustee shall be entitled to issue such press release.

## 24. Force Majeure and Limitation of Liability

- (a) None of the Trustee or 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.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Trustee or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## 25. Governing Law and Jurisdiction

- (a) 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.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

## **Addresses**

### **ISSUER**

#### **Slättö Value Add I AB (publ)**

c/o Slättö Förvaltning AB  
Grev Turegatan 19  
114 38 Stockholm  
SWEDEN  
Tel.: +46 771 650 200

### **Issuing Agent**

#### **Pareto Securities AB**

Berzelii Park 9  
111 47 Stockholm  
SWEDEN  
Tel.: +46 8 402 51 70

### **LEGAL COUNSEL**

#### **Roschier Advokatbyrå AB**

Brunkebergstorg 2  
P.O. Box 7358  
SE-103 90 Stockholm  
Sweden  
Tel.: +46 8 553 190 00  
Fax: +46 8 553 190 01

### **AGENT**

#### **Nordic Trustee & Agency AB (publ)**

Norrandsgatan 23  
Box 7329  
103 90 Stockholm  
Sverige  
Tel.: +46 8 783 79 00

### **AUDITOR**

#### **Ernst & Young AB**

Jakobsbergsgatan 24  
111 44 Stockholm  
SWEDEN  
Tel.: +46 8 520 590 00

### **CENTRAL SECURITIES DEPOSITORY**

#### **Euroclear Sweden AB**

Klarabergsviadukten 63  
111 64 Stockholm  
SWEDEN  
Tel.: + 46 8 402 90 00