



**BYGGMÄSTARE ANDERS J AHLSTRÖM  
FASTIGHETS AB (PUBL)**

**PROSPECTUS REGARDING LISTING OF  
MAXIMUM SEK 500,000,000**

**SENIOR SECURED CALLABLE FLOATING RATE BONDS  
2016/2021  
ISIN: SE0008294342**

**10 June 2016**

## Important information

This prospectus (the “**Prospectus**”) has been prepared by Byggmästare Anders J Ahlström Fastighets AB (publ) (the “**Company**”), registration number 556734-5805, in relation to the application for listing of bonds issued under the Company’s maximum SEK 500,000,000 senior secured callable floating rate bonds 2016/2021 with ISIN SE0008294342 (the “**Bonds**”), of which SEK 250,000,000 was issued on 29 April 2016 (the “**Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”), on the Corporate Bond List at NASDAQ OMX Stockholm AB (“**Nasdaq Stockholm**”). References to the Company or the Group refer in this Prospectus to Byggmästare Anders J Ahlström Fastighets AB (publ) and its subsidiary, unless otherwise indicated by the context. References to “SEK” refer to Swedish Kronor.

This Prospectus has been prepared in accordance with the rules and regulations in the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with the provisions in Chapter 2, Sections 25 and 26, of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

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

The Prospectus will be available at the Swedish Financial Supervisory Authority’s web page ([www.fi.se](http://www.fi.se)) and the Company’s web page ([www.andersjahlstrom.se/fastighets](http://www.andersjahlstrom.se/fastighets)), and paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’s auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

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

This Prospectus shall be read together with all documents that are incorporated by reference (see section “*Overview of financial reporting and documents incorporated by reference*” below) and possible supplements to this Prospectus.

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

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

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## **Risk factors**

*Investing in the Bonds involves inherent risks. The financial performance of the Company and the Group and the risks associated with its business are important when making a decision on whether to invest in the Bonds. A number of risk factors and uncertainties may adversely affect the Group. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely affected, which ultimately could affect the Company's ability to make payments of interest and repayments of principal under the Terms and Conditions. In this section, a number of risk factors are illustrated, namely general risks pertaining to the Group's business operations and material risks relating to the Bonds as financial instruments. The risks presented below are not exhaustive and other risks not discussed herein may also adversely affect the Group, the price of the Bonds and the Company's ability to service its debt obligations. Further, the risk factors are not ranked in order of importance. Potential investors should consider carefully the information contained in this Prospectus and make an independent evaluation before making an investment decision.*

### **Risk related to the Company, the industry and the market**

#### *Macroeconomic factors*

The real estate market is to a large extent affected by macroeconomic factors such as the general state of the economy (including GDP development), regional economic developments, the employment rate, production of new residential units and premises, infrastructural development, population growth, demographic developments, inflation and interest rates. The Company is particularly exposed to macroeconomic factors which affect the greater Stockholm area, since the Company currently only conducts business in the Botkyrka Municipality in this region. If one or several of these factors would have a negative development, it could have a material negative impact on the Group's operations, earnings and financial position.

#### *General political risks and risks related to society*

The Company's operations are subject to general political risks and risks related to the Botkyrka Municipality in which operations are conducted, including the risk of potential local, regional or national governmental intervention, potential changes in tax regulations as well as potential political, social and economic disturbances. The housing market is subject to extensive rules and regulations, and is subject to interest from political and other actors. Furthermore, there are significant differences in the political parties' view on important policy decisions in relation to the housing market. For example, the size and occurrence of taxes, regulations regarding rental levels, the conversion of leasehold flats into tenant-owned flats, and the progress of the public housing sector's divestment of residential units. There is a risk that changes to regulation occur which could affect the ownership of real estate properties, real estate transactions or the rental market. If any of the above described risks were to materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

#### *Property values*

The market value of the property owned by the Company is affected by a number of property-specific factors, such as rent levels, vacancy levels, operating costs, infrastructure and environmental effects of the operations. Furthermore, the market value is influenced by factors which affect the real estate market in general, including macroeconomic effects. If the market

value of the Group's property decreases, a breach of the covenants of the loans owed by the Group from time to time could occur, which in turn could result in such loans being accelerated prior to maturity and consequently affecting the Group's liquidity. Furthermore, if the market value of the Group's property decreases it would have a negative impact on the Group's ability to dispose of its property, or to dispose of its property on terms and conditions acceptable to the Group. If any of the above described risks were to materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

*Housing market, rental income and conversion into housing co-op apartments*

The Company's business consists of owning a residential property in Botkyrka Municipality, which means that the occupancy rate of the apartments, the contracted rent levels and the tenants' desire and ability to pay are of crucial importance for the Company's operations, earnings and financial position. Occupancy rates and rent levels are affected by, for example, the general state of economic development, national/regional and local parameters such as economic growth, employment development, population development as well as structure and infrastructural changes. Furthermore, in Sweden rents for residential properties are regulated, and as in the Group's case set between property owners and the Swedish Union of Tenants (Sw. *Hyresnämnden*). The regulatory cap on rent may prevent expected rent increase, thus preventing the Group from recovering costs spent in relation to the property. If the general economic trends and developments were to be weak over time or if occupancy rate or rent levels were to decrease, or not increase as expected, it could have a material negative impact on the Group's operations, earnings and financial position.

The desire to pay for rental apartments is, among other things, dependent on how well a specific residential unit corresponds to the market demand, the activity on the residential market, the general price trend on rental apartments and demographic factors, such as people moving into the Stockholm region. The desire to pay for rental apartments is further affected by, among other things, the access and cost for alternative residential forms. The ability to pay for rental apartments is, among other things, dependent on the development of wages, the employment ratio, the levels of taxes and charges, the statutory rules for rent levels and other factors which generally affect the economy of households. There is a risk that changes to rules which aim to implement market prices could have a negative impact on the ability to pay for rental apartments. If the ability or the desire to pay for rental apartments would develop in a negative way, it could have a material negative impact on the Group's operations, earnings and financial position.

The Company also plans to convert approximately 10 per cent. of the rental apartments into housing co-op apartments within a five-year period. The residential units will be sold to one or more residential co-operatives. Factors affecting the desire to acquire residential units as housing co-op apartments are the development of wages, the employment ratio, the levels of taxes and charges and other factors which generally affect the economy of households. The ability to pay for housing co-op apartments is also dependent on the households' ability to make interest deductions, receive loan financing, the development of interest rates for residential loans and of statutory rules, or rules applied by the banks, regarding maximum borrowings and amortisations. There is a risk that changes to rules which aim to reduce households' total borrowings could be implemented, which could have a negative impact on the ability and willingness to acquire housing co-op apartments. Furthermore, there is a risk that the Company may not be able to obtain necessary decisions from authorities or permits for conversion of rental apartments. Consequently, the

planned divestment of residential units to residential co-operatives could be delayed or only be possible to procure at terms that are less profitable than estimated.

If one or several of these factors would have a negative development or if any of the described risks were to materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

#### *Acquisition, sale and other real property transactional related risks*

The Company may in the future carry out transactions relating to real properties. All such transactions involve uncertainties and risks. Acquisitions of properties involve, for instance, uncertainty in relation to the price and the possibility to successfully dispose of all residential units, uncertainties regarding the management of tenants, unexpected costs with respect to environmental clean-up, rebuilding and the handling of technical problems, decisions from authorities and the emergence of disputes relating to the acquisition or the condition of the real property. Such uncertainties may result in delays or increased or unexpected costs for the real properties or transactions. If the Company cannot receive compensation for residential units to an advantageous price or if claims are directed against the Company, it could result in delays of projects or increased or unexpected costs for the residential units, the properties or the transactions. If any of the above described risks were to materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

#### *Operating and maintenance costs*

Operating and maintenance costs, to some or the full extent, will be included in the Company's property management. Operational costs mainly consist of costs such as electricity, cleaning, water and heating. Some of these goods and services can only be bought from a single operator on the market, which may affect the price. To the extent that any such costs increase, it may have a negative impact on the Company's result. Maintenance costs include actions that are necessary to maintain the standard of a property in the long term. These expenditures are accounted for as expenses to the extent they relate to repairs and replacements of minor items. In addition to pure maintenance costs, costs for tenant adjustments normally arise. The occurrence of unforeseen and extensive renovation needs may have a material negative impact on the Group's operations, earnings and financial position.

#### *Capital gain, loss and value changes*

The property as well as possible future properties will be recorded at real value in the balance sheet and any changes to the value of the properties will be accounted for in the income statement. The Company's possibilities to create capital gain by selling buildings within the property will be affected by e.g. partly property specific factors such as how well the Company has succeeded in improving and developing the property as well as the contractual and customer structures, the vacancy rate, the rental level, operating costs and permitted usage of the property. In addition, market specific factors such as the general rent and economic situations, the local availability and demand balance, the expected rent growth, the tax situation, loan financing possibilities and yield demands all play a role in the development of property prices. Any realised as well as unrealised decrease in the valuations of the Company's properties may have a material negative impact on the Group's operations, earnings and financial position.

### *Competitive situation*

The Company operates in a market that is exposed to competition. The Company's competitiveness will be dependent on the Company being able to predict future changes in the market and quickly adapt to current and future market needs. Furthermore, some competitors in the rental market are part of the public housing sector, which under certain circumstances, may give such competitors an economic advantage. The Company might be required to make significant investments or rent adjustments in order to adapt to a new competitive situation, which could have a material negative impact on the Group's operations, earnings and financial position.

### *Geographical risk*

As the Company currently only conducts business in Botkyrka Municipality in Stockholm, the local supply and demand of properties and thereby the Company's return on investments in properties is dependent on the development of this limited geographical market. A decrease in this market could have a material negative impact on the Group's operations, earnings and financial position.

### *Credit Risks*

When there is a risk of the Group's counterparties being unable to fulfil their financial obligations towards the Group, there is a credit risk. The Group's current and potential customers may get in a financial situation where they cannot pay the agreed rent as it falls due or otherwise abstain from fulfilling their obligations. Credit risks within the financial operations arise, *inter alia*, from the investment of excess liquidity, when interest cap agreements are entered into and upon obtaining long- and short-term credit agreements. If the Group's counterparties cannot fulfil their obligations, it could have a material negative impact on the Group's operations, earnings and financial position.

### *Reputational damage*

The Company's reputation is central to its business and earnings capacity. The Company's long-term profitability is based on consumers, and other participants on the real estate market, associating the Company with positive values and good quality, particularly given the sometimes politically and socially sensitive nature of the rental market. If, for example, the Company's or any of its group companies' senior management or partners were to act in a manner that conflict with the values represented by the Company, or if the Company's real estate projects do not meet the expectations of the market and the residents, there is a risk that the Company's reputation could be damaged. Damage to the Company's reputation could have a material negative impact on the Group's operations, earnings and financial position.

### *Environmental risk*

According to Swedish legislation, the party that has conducted operations which have caused contaminations is responsible for the remediation of contaminated property. If the party that has conducted the operations cannot perform or pay for the remediation of a contaminated property, the party who has acquired the property is responsible for the remediation if the party knew of, or at the time should have discovered, the contaminations. This means that claims under certain circumstances can be directed against the Company for cleaning-up or after-treatment regarding the occurrence of, or suspicion of, contamination in the ground, water areas or groundwater, in order to put the property in such condition as required by the Environmental Code (SFS 1998:808)

(Sw. *Miljöbalken (1998:808)*). Furthermore, previous business operators may have carried out after-treatment of a property in an acceptable manner according to the usage at that point of time. As a result of changed usage to residential purposes, the requirements for the Company may be higher, which means that the Company may have costs for after-treatment and cleaning-up in order to be able to use the property as desired. If claims for remediation regarding any of the Company's properties should be put forward to the Company, this may have material negative impact on the Group's operations, earnings and financial position.

#### *Dependency on members of management and other key personnel*

The Company's future success is to a large extent dependent on the members of management and other key personnel who provide expertise, experience and commitment. Through their experience, these key persons have established good relationships with participants on the local real estate market, partners and other stakeholders. Accordingly, these key persons are important for a successful development of the Company's business. If the Company is unable to retain members of management and other key personnel, or recruit new members of management or other key personnel to replace people who leave the Company, in the future, it could have material negative impact on the Group's operations, earnings and financial position.

#### *Alternative Investment Fund Managers Directive*

There could be a risk that the Company is considered an alternative investment fund pursuant to the Alternative Investment Fund Managers Directive 2011/61/EU. If the Company were to be considered an alternative investment fund it may lead to the Company having to comply with registration, permission, reporting, organisational and other requirements, all of which could lead to costs for the Company and could have a material negative impact on the Group's operations, earnings and financial position.

#### *Financing and interest rate risk*

In addition to equity, the Company's has partially financed its historical acquisitions of property through loans from external creditors and interest rates are a significant cost item for the Company. Interest rate risk is defined as the risk that changes in interest rates affect the Company's interest expense. Interest expenses are mainly affected by, besides the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Company's strategy regarding interest rate fixation periods. The Swedish market for interest rates is mainly affected by the expected inflation rate and The Swedish National Bank's (Sw. *Riksbanken*) repurchase rate (Sw. *reporäntan*). Furthermore, the Company may acquire additional properties in the future or carry out other real estate development projects that may require external financing. Such real estate development projects may be delayed or affected by unexpected or increased costs as a result of factors within or outside the control of the Company. If such circumstances occur, it could result in projects not being completed before loans are due, or that such increased costs are not covered by the granted credit facilities. If the Company is not able to obtain financing with respect to acquisitions or development, extension or increase of existing financing or is only able to obtain such financing on terms that are disadvantageous, it could have a material negative impact on the Group's operations, earnings and financial position.



### *Compliance with change-of-control provisions and other covenants under the Facility Agreement*

The Company's subsidiary has entered into a Swedish law governed facilities agreement with SBAB Bank AB (publ) (the "**Facility Agreement**"). The Facility Agreement make the Group subject to a number of covenants dictating what actions the Group may and may not take. *Inter alia*, the Facility Agreement contains change of control clauses, implying that changes in the current ownership structure could lead to a breach of such undertakings. The change of control provisions in the Facility Agreement (as amended on 1 December 2014 following a request by Mitt Alby AB) entitle SBAB Bank AB (publ) to declare any outstanding amount under the Facility Agreement immediately due and payable in the following cases: (i) if the Company ceases to hold (directly or indirectly) 100 per cent. of the share capital or votes in Mitt Alby AB, (ii) if anyone other than the Company gains control (directly or indirectly) of shares representing any part of the share capital or votes of Mitt Alby AB, (iii) if Autus Invest ceases to (directly or indirectly) hold shares representing at least 26 per cent. of the votes and share capital in the Company, (iv) if Autus Invest AB, Alesco S.A, Martin Bjäringer, Hajskäret Invest AB, Geveles AB and HTS Holding AB (the "Investors") cease to jointly hold shares representing at least 50 per cent. of the votes and share capital in the Company or (v) if any other person than the Investors, individually or jointly, acquire control of shares in the Company representing more than 34 per cent. of the share capital or 20 per cent. of the votes in the Company.

Should the Group breach any of the other covenants and be in default under the Facility Agreement, the credit facility may be accelerated and declared due and payable. In such an event, additional financing costs may incur, and the Group may be declared bankrupt and be liquidated. Further, *inter alia*, the property is pledged as security under the Facility Agreement. A material part of the assets of the Company is thus pledged to the Group's creditors. If the Group needs to obtain new financing there is a risk that such financing, due to the existing security arrangements, may only be obtained on terms that are disadvantageous, which could have a material negative impact on the Group's operations, earnings and financial position.

### *Liquidity risk*

Liquidity risk is the risk that the Company cannot meet its payment obligations at the maturity date without the cost for obtaining cash or cash equivalents increasing significantly. The Company will be dependent on available liquidity in order to fulfil its obligations with respect to paying operating and maintenance costs, making investments and paying interest and amortisation costs related to its financing. If the Company's liquidity sources prove not to be sufficient, there is a risk that the Company only can meet its payment obligations by raising funds on terms significantly increasing its financing costs or that the Company cannot meet its payment obligations at all and as a result thereof being in default under material agreements entered into by the Company, which could have a material negative impact on the Group's operations, earnings and financial position.

### *Taxes and legislative changes*

The Company's operations are affected by the tax rules in force from time to time. These rules include, *inter alia*, corporate tax, real estate tax, value added tax, rules regarding tax-free disposals of shares, other governmental or municipal taxes, interest deductions and subsidies. A change in tax laws can cause a situational change for the Company. Even legislative or legal practice changes within certain other areas, for example rental, acquisition and environmental laws can have negative consequences for the Company. If changes to legislation regarding rent, acquisitions

and environmental protection were to occur, this may have a material negative impact on the Group's operations, earnings and financial position. There is a risk that the Company's interpretation of applicable tax laws and regulations is incorrect, or that such regulations change, possibly with retroactive effect. Further, future changes in applicable laws and regulations may affect the conditions of the businesses of the Company. Moreover, there are significant differences in the political parties view on the size and occurrence of taxes and subsidies. There is a risk that tax rates are changed in the future or that other changes of regulations occur which affect the ownership of real estate properties or real estate transactions. If any of the above described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

#### *Disputes*

The Company may become involved in disputes or claims with tenants, suppliers and other business partners. Such disputes could be time consuming and result in costs, the size of which cannot always be foreseen. Disputes could, therefore, have a material negative impact on the Group's operations, earnings and financial position.

### **Risks relating to the Bonds**

#### *Credit risks*

An investment in the Bonds carries a credit risk relating to the Company and the Group. The investor's ability to receive payment under the Terms and Conditions is 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 Group's operations and financial position are in turn affected by several factors, a number of which have been discussed above.

An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would have an adverse effect on the value of the Bonds. Another aspect of the credit risk is that any deterioration in the financial position of the Company may entail a lower credit-worthiness and the possibility for the Company to receive financing may be impaired when the Bonds mature.

#### *Refinancing risk*

The Company may be required to refinance certain or all of its outstanding debt, including the Bonds. The Company's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets and the Company's financial position at such time. Even if the markets and the Company's financial position are favourable, the Company's access to financing sources may not be available on acceptable terms, or at all. The Company's inability to refinance its debt obligations on acceptable terms, or at all, could have a material adverse effect on the Company's business, financial position and results of operations and on the bondholders' recovery under the Bonds.

#### *Ability to comply with the Terms and Conditions*

The Group is required to comply with the Terms and Conditions. Events beyond the Group's control, including changes in the economic and business condition in which the Group operates, may affect the Group's ability to comply with, among other things, the undertakings set out in the

Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions.

#### *Interest rate risk*

The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Group's control. The Bonds have a floating rate structure on 3 month STIBOR plus a margin and the interest rate of the Bonds will be determined two business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. As a result, investments in the Bonds are exposed to the risk for significant and rapid interest changes and the risk that the interest base falls to a lower level, whereby the interest to be paid to the bondholders will be lower.

#### *Liquidity risks*

The Company has undertaken to list the Bonds on the corporate bond list of Nasdaq Stockholm within 60 calendar days after the issue date of the Bonds. It is further the Company's intention to complete such listing within 30 calendar days after the issue date of the Bonds. However, there is a risk that the Bonds will not be admitted to trading. Further, even if securities, including the Bonds, are admitted to trading on Nasdaq Stockholm, there is not always active trading in the securities, so there is a risk that the market for trading in the Bonds will be illiquid even if the Bonds are listed. This may result in the fact that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading on Nasdaq Stockholm.

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

#### *The market price of the Bonds may be volatile*

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

#### *Currency risk*

The Bonds will be denominated and payable in SEK. If investors in the Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into

the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Company to make payments in respect of the bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal.

#### *Dependence on subsidiaries*

A significant part of the Group's assets and revenues relate to the Company's subsidiary. Accordingly, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in the subsidiary to enable it to make payments under the Bonds. The Company's subsidiary is legally separate and distinct from the Company and has no obligation to pay amounts due with respect to the Company's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Company's subsidiary to make such payments to the Company is subject to, among other things, the availability of funds, corporate restrictions and the terms of each operation's indebtedness. The Company's subsidiary has entered into a loan agreement which contains prohibitions against loans to the Company and a restriction on payment of dividends to the Company pursuant to which the subsidiary may not make dividends if there is a breach of certain financial covenants (being equity/asset ratio or interest cover ratio). Should the Company not receive sufficient income from its subsidiary, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.

#### *Structural subordination and insolvency of subsidiaries*

In the event of insolvency, liquidation or a similar event relating to one of the Company's subsidiary, all creditors of that company would be entitled to payment in full out of the assets of such company before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiary. There is a risk that the Group and its assets would not be protected from 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, the Company's subsidiary could result in the obligation of the Company to make payments under financial or performance guarantees in respect of the subsidiary's obligations or the occurrence of cross defaults on certain borrowings of the Group, which could have a material adverse effect on the Company's business, financial position and results of operations and on the bondholders' recovery under the Bonds.

#### *Risks relating to the pledge over the shares in the Company*

The Company's obligations under the Bonds are secured by a pledge over the shares in the Company. However, there is a risk that the proceeds from any enforcement sale of the shares in the Company would not be sufficient to satisfy all amounts then due on or in respect of the Bonds.

An enforcement of the pledge over the shares in the Company will also trigger an event of default under the Facility Agreement, meaning that the lender under the Facility Agreement (currently being SBAB Bank AB (publ)) will be entitled to receive immediate repayment of all loan amounts outstanding under the Facility Agreement. As the obligations to the lenders under the Facility Agreement must first be satisfied there may be little or no remaining assets in the Company for the bondholders. As a result, the bondholders may not recover any or the full value in the case of an enforcement sale of the share pledge.

### *The principal shareholder*

The interests of the principal indirect shareholder, Mikael Ahlström, or any other indirect shareholder of the Company could conflict with those of the bondholders and/or those of the Company and the Group, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A company where any shareholder has a controlling interest may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgement, could enhance their equity investments, although such transactions might involve risks to the bondholders. In addition, there is nothing that prevents such shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise it could have a material negative impact on the Group's operations, earnings and financial position.

### *Risks related to early redemption and put option*

Under the Terms and Conditions, the Company has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the bondholders have the right to receive an early redemption amount which exceeds the nominal amount of the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for 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.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) if (i) an event or series of events occur whereby one or more persons, acting together, acquire control over the Company and where "control" means acquiring or controlling, directly or indirectly, more than 50 per cent. of the votes of the Company, or the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Company or (ii) the Bonds have not been listed on Nasdaq Stockholm within 60 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 option.

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

In accordance with the Terms and Conditions, the agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the 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 and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that a bondholder, in certain situations, could bring its own action against the Company (in breach of the Terms and Conditions), which could negatively impact an acceleration of the Bonds or other action against the Company. To enable the agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

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

#### *Bondholders' meetings*

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

#### *Restrictions on the transferability of the Bonds*

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. A holder of the Bonds may not offer or sell the Bonds in the United States. The Company has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country's securities laws. Each potential investor should observe and obey the transfer restrictions that apply to the Bonds. It is the bondholder's obligation to ensure, at own cost and expense, that its offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired.

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

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

#### *Amended or new legislation*

This Prospectus and the Terms and Conditions are based on Swedish law in force at their respective date of issuance. The impact of any possible future legislative measures or changes, or changes to administrative practices, may give rise to risks which are not possible to foresee. There is a risk that amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

#### *Conflict of interests*

The issuing agent and sole bookrunner have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. The issuing agent and sole bookrunner may thus in the future have relations with the Group other than those arising from its role in the issue of the Bonds. The issuing agent and sole bookrunner may, for example, provide services related to financing other

than through the issue of the Bonds, such as investment banking services for, or other commercial dealings with, the Group. Therefore, conflict of interest may exist or may arise as a result of the issuing agent and sole bookrunner having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests. Such conflicts of interest could adversely affect the Group's ability to renew or maintain existing financing or obtain further financing and in turn have a material negative effect on the Group's operations, earnings and financial position.

**Responsible for the information in the Prospectus**

The Company issued the Bonds on 29 April 2016. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Bonds on Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act, each as amended.

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

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

Stockholm on 10 June 2016

**BYGGMÄSTARE ANDERS J AHLSTRÖM FASTIGHETS AB (PUBL)**

*The board of directors*



## The Bonds in brief

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

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

## Summary of the Bonds

The Bonds are debt instruments (Sw. *skuldförbindelser*), intended for public market trading, which confirm that each Holder has a claim against the Company. The Company resolved to issue the Bonds on 22 April 2016. The purpose of the Bond Issue was to raise funds to be used for prepayment in full of the Issuer’s outstanding senior secured bonds 2013/2018 of maximum SEK 200,000,000 with ISIN SE0005504719 (the “**Existing Bonds**”) and towards general corporate purposes. The Issue Date for the Bonds was 29 April 2016. The Bonds will mature on 29 April 2021.

The aggregate nominal amount of the Bonds is maximum SEK 500,000,000 represented by Bonds denominated in SEK with ISIN SE0008294342, each with a Nominal Amount of SEK 1,000,000. The Bonds were issued at a price equal to 100 per cent. of the Nominal Amount. As of the date of this Prospectus, SEK 250,000,000 of the bond loan has been issued.

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

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* and without any preference among them.

As continuing security for the due and punctual fulfilment of the Issuer’s obligations under the Terms and Conditions, the Parent have pledged to the Agent and the Holders (as represented by the Agent), as a first priority pledge, all of the shares in the Issuer.

The Company shall redeem all outstanding Bonds at 100 per cent. of the Nominal Amount together with accrued but unpaid interest on the Final Redemption Date, unless previously redeemed or repurchased in accordance with Clause 11 “*Redemption and repurchase of the Bonds*” or terminated in accordance with Clause 15 “*Termination of the Bonds*” of the Terms and Conditions.

The Company may choose to redeem all, but not only some, of the Bonds in full on any Business Day at a redemption price equal to the applicable Call Option Price together with accrued but

unpaid interest (see further Clause 11.3 “*Early voluntary redemption by the Issuer (call option)*” of the Terms and Conditions).

Upon a Change of Control Event or a Listing Failure, each Holder has a right of pre-payment (put option) of its Bonds at a price of 101 per cent. of the Nominal Amount together with accrued but unpaid interest (see further Clause 11.4 “*Mandatory repurchase due to a Change of Control Event, De-listing Event or Listing Failure (put option)*” of the Terms and Conditions).

Payment of the Nominal Amount and/or interest will be made to the person who is a Holder on the Record Date immediately preceding the relevant payment date. Payments shall be made in SEK. The right to receive payment of the Nominal Amount is time-barred and becomes void ten years from the relevant Redemption Date, unless the limitation period is duly interrupted.

The Bonds bear interest from, but excluding, the Interest Payment Date falling immediately prior to their issuance up to, and including, the Relevant Redemption Date at a floating rate of STIBOR (3 months) + 465 basis points per annum. Interest is paid quarterly in arrears on each Interest Payment Date and is calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Payment Dates are 29 January, 29 April, 29 July and 29 October each year (with the first Interest Payment Date on 29 April 2016 and the last Interest Payment Date being the final Redemption Date). The right to receive payment of interest is time-barred and becomes void three years from the relevant due date for payment.

Nordic Trustee & Agency AB (publ), registration number 556882-1879, P.O. Box 7329, SE-103 90, Stockholm, Sweden is acting as Agent for the Holders in relation to the Bonds, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. Even without a separate authorisation from the Holders and without having to obtain any Holder’s consent (if not required to do so under the Terms and Conditions), the Agent, or a person appointed by the Agent, is entitled to represent the Holders in every matter concerning the Bonds and the Terms and Conditions. The Agent is authorised to act on behalf of the Holders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Bonds). Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent’s satisfaction), as the Agent deems necessary for the purpose of carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request of the Agent.

An agreement was entered into between the Agent and the Company on or about the Issue Date regarding, *inter alia*, the remuneration payable to the Agent. The Agent agreement is available at the Agent’s office. The rights and obligations of the Agent are set forth in the Terms and Conditions which are available at the Company’s web page, [www.andersjahlstrom.se/fastighets](http://www.andersjahlstrom.se/fastighets).

Each of the Company, the Agent and Holders representing at least ten per cent. of the total outstanding Nominal Amount, may request that a Holders’ Meeting is convened (see further Clause 18 “*Holders’ Meeting*” of the Terms and Conditions) or request a Written Procedure (see further Clause 19 “*Written Procedure*” of the Terms and Conditions). Such Holders’ Meeting or Written Procedure may, upon votes representing a relevant majority of Holders eligible for voting, cause resolutions to be validly passed and binding on all Holders.

If the Bonds have been duly declared due and payable due to an Event of Default, the available funds shall firstly be applied towards payment of all costs and expenses incurred by and any remuneration payable to the Agent under the Terms and Conditions and the Agent Agreement and other cost and expenses relating to the enforcement of the Transaction Security, secondly in or towards payment of accrued but unpaid Interest under the Bonds, thirdly in or towards payment of any unpaid principal under the Bonds and fourthly in or towards payment of any other costs or outstanding amounts unpaid under the Terms and Conditions. Any excess funds shall be transferred to the Company.

The Bonds are freely transferrable and trading can occur from their date of issuance. Holders may, however, be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Holder may be subject (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) for business). Each Holder must ensure compliance with local laws and regulations applicable at their own cost and expense. All Bond transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon the completion of a transfer.

To simplify trading in the Bonds, the Company intends to apply for listing of the Bonds on Nasdaq Stockholm in connection with the Swedish Financial Supervisory Authority's approval of this Prospectus. The number of Bonds being admitted to trading if the application is approved by Nasdaq Stockholm is 250. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is expected to be on or about 15 June 2016. The fact that an application regarding listing of the Bonds on Nasdaq Stockholm has been submitted does not mean that the application will be approved. The total expenses of the admission to trading of the Bonds are estimated to amount to SEK 100,000.

The Terms and Conditions include an undertaking for the Company to ensure that the Bonds are listed on Nasdaq Stockholm. For the avoidance of doubt, Bonds issued in any Subsequent Bond Issue may be admitted to trading pursuant to this Prospectus within one year after the approval of this Prospectus by the Swedish Financial Supervisory Authority.

## **The Company and its operations**

### **Introduction**

Byggmästare Anders J Ahlström Fastighets AB (publ) is a public limited liability company registered in Sweden with registration number 556734-5805, having its registered address at Domarebacken 38, SE-145 57 Norsborg, Sweden. The Company was formed on 5 June 2007 and registered with the Swedish Companies Registration Office on 11 July 2007. The Company is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

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

According to its articles of association, the Company's share capital shall be no less than SEK 500,000 and not more than SEK 2,000,000 divided into no less than 5,000 shares and not more than 20,000 shares. The Company's current share capital amounts to SEK 1,000,000 divided among 10,000 shares. The shares are denominated in SEK.

The Company is a wholly owned subsidiary to Byggmästare Anders J Ahlström Holding AB (publ). The sole shareholder's influence is exercised through active participation in the decisions made at general meetings of the Company. To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Company.

### **Business and operations**

The object of the Company's business is to acquire and develop real properties for residential purposes in Stockholm. Through its wholly owned subsidiary Mitt Alby AB ("**Mitt Alby**"), the Company owns and manages one large property consisting of almost exclusively residential units in Albyberget in the Botkyrka municipality in Stockholm. The Company has a large community involvement and considers itself not only a developer of residential units with tenants, but also as a developer of the entire ecosystem in which the buildings and the tenants exist. Together with the residents, municipalities, schools, associations, social enterprises and voluntary organisations the Company seeks to develop Albyberget to an even better environment to live and work in.

The Company is the parent company in the Group. However, the real property operations are carried out through the Company's wholly owned subsidiary Mitt Alby. Consequently, the Company is dependent upon its subsidiary. As of 31 December 2015, the Company had a total rentable area of 107,231 square meters, consisting of 1,302 apartments and 179 premises. In addition to the existing buildings, the Company also holds building rights on its property, which according to the zoning plan corresponds to 22,409 square meters.

### **Litigation**

The Company has not, during the previous twelve months, been and is not aware of any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability. However, the Company is from time to time involved in legal proceedings in the ordinary course of business.

**Material agreements**

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

**Credit rating**

Neither the Company nor the Bonds have a credit rating from an international credit rating institute.

**Significant adverse changes and recent events**

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report and no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published.

On 29 December 2015 Mitt Alby sold a property on Albyberget to a tenant-owners' association created by the residents. The purchase price amounted to SEK 35.5 million on a debt free basis and thus exceeded the latest external valuation by SEK 12.6 million (55 per cent).

An independent valuation of the property's market value as of year-end 2015 shows that the market value of the property has increased by SEK 130 million (13 per cent.) and building rights of SEK 35 million (87 per cent.) since the turn of the year 2014. This includes net investments in the property and an increased number of building rights.

On 18 May 2016, the Company redeemed its maximum SEK 200,000,000 bond loan with ISIN SE0005504719. The redemption was financed with proceeds from the Bond Issue.

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

**Shareholders' agreements**

As far as the Company is aware, there are no shareholders' agreements or other agreements which could result in a change of control of the Company.

**Board of directors, senior management and auditors**

The business address for all members of the board of directors and the senior management is: Byggmästare Anders J Ahlström Fastighets AB (publ), Domarebacken 38, SE- 145 57, Norsborg, Sweden. The board of directors of the Company currently consists of six members. Information on the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set forth below.

**Board of directors***Mikael Ahlström*

Born 1956 and of Swedish nationality. Member and chairman of the board of directors since 2013. Current assignments outside the Company include chairman and board member in Byggmästare Anders J Ahlström Holding AB (publ) and board member in Procuritas Partners AB, Spiltan

Underhållning M AB, PCTC Invest AB, Gram Equipment AS and Stiftelsen Carl & Olga Milles Lidingöhem.

*Charlotte Bergman*

Born 1963 and of Swedish nationality. Member of the board of directors of the Company since 2013. Current assignments outside the Company include board member in Byggmästare Anders J Ahlström Holding AB (publ), ELU Konsult Aktiebolag and FastPartner AB.

*Lars Magnusson*

Born 1949 and of Swedish nationality. Member of the board of directors of the Company since 2013. Current assignments outside the Company include board member in Byggmästare Anders J Ahlström Holding AB (publ), AB Riddaregatan-Hee and AB Livered 1:23, and deputy board member in Sturekatten AB.

*Anders Hörnqvist*

Born 1966 and of Swedish nationality. Member of the board of directors of the Company since 2013. Current assignments outside the Company include chairman of the board of directors in AB Norrlandsinvest and board member in Byggmästare Anders J Ahlström Holding AB (publ) and IQS Energi Komfort AB.

*Hidayet Tercan*

Born in 1971 and of Swedish nationality. Member of the board of directors of the Company since 2013. Current assignments outside the Company include board member in Byggmästare Anders J Ahlström Holding AB (publ), HTS Holding AB and My Academy Sweden AB.

*Marcus Trummer*

Born in 1980 and of Swedish nationality. Member of the board of directors of the Company since 2013. Current assignments outside the Company include board member in Byggmästare Anders J Ahlström Holding AB (publ), Autus Invest AB, Gosh AB and Caloroso s,r,o, board member and managing director of LBO Invest AB, managing director of PCTC Invest AB and Investmentbolaget av 1 maj 2009 AB, and deputy board member in Student Competitions AB and Fasticon Kompetens Holding AB.

**Senior management**

*Mattias Tegeffjord*

Mattias Tegeffjord is the managing director of the Company. Current assignments outside the Company include managing director of the parent company of the Group and several of its subsidiaries, and deputy board member in Fasticon Kompetens Holding AB and Mitt Alby AB.

*Andreas Lindenhierata*

Andreas Lindenhierata is head of finance of the Company.

**Auditors**

Ernst & Young Aktiebolag, with Mikael Ikonen as the auditor-in-charge, has been the Company's auditor from June 2013 and onwards (*i.e.* for the period covered by the historical financial information incorporated into this Prospectus by reference). Mikael Ikonen is a member of FAR.

The business address to Ernst & Young Aktiebolag is Ernst & Young Aktiebolag, Jakobsbergsgatan 24, SE-103 99 Stockholm, Sweden.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditors.

**Conflicts of interests**

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

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

**Financial interests**

Several members of the board of directors and the senior management have a financial interest in the Company through their, direct and indirect, holdings of shares in the Company.

## Overview of financial reporting and documents incorporated by reference

The accounting principles applied in the preparation of the Company's financial statements presented below are set out in the following and have been consistently applied to all the years presented, unless otherwise stated.

The financial information for the financial years ending 31 December 2014 and 31 December 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*) and the Swedish Annual Accounts Act.

The Company's consolidated annual reports for the financial years ended 31 December 2014 and 31 December 2015 have been incorporated in this Prospectus by reference. The consolidated annual reports have been audited by the Company's auditor and the auditor's report has been incorporated in this Prospectus through the consolidated annual reports for the financial years ended 31 December 2014 and 31 December 2015 by reference.

In this Prospectus the following documents are incorporated by reference. The documents have been made public and have been handed in to the Swedish Financial Supervisory Authority.

| Reference  | Document  | Page  |
|--|---|---|
| Financial information regarding the Company and its business for the financial year ended 31 December 2014 | Byggmästare Anders J Ahlström Fastighets AB (publ)'s consolidated annual report for the financial year ended 31 December 2014 | - 6–10 (Administration report),<br>- 16 (Group's consolidated statement on comprehensive income),<br>- 17 (Group's consolidated statement of financial position),<br>- 18 (Group's consolidated statement of changes in equity),<br>- 18 (Group's consolidated cash flow statement)<br>- 19 (Company's income statement)<br>- 20 (Company's balance sheet)<br>- 22–37 (Accounting principles and notes) |
| Auditor's report for the financial year ended 31 December 2014   | Byggmästare Anders J Ahlström Fastighets AB (publ)'s consolidated annual report for the financial year ended 31 December 2014 | - 39 (Auditor's report)   |
| Financial information regarding the Company and its business for the financial year ended 31 December 2015 | Byggmästare Anders J Ahlström Fastighets AB (publ)'s consolidated annual report for the financial year ended 31 December 2015 | - 5–13 (Administration report),<br>- 19 (Group's consolidated statement on comprehensive income),<br>- 20 (Group's consolidated statement of financial position),<br>- 20 (Group's consolidated statement   |



|  |   |   |
|--|---|---|
|  |   | of changes in equity),                          |
|  |   | - 21 (Group's consolidated cash flow statement) |
|  |   | - 22 (Company's income statement)               |
|  |   | - 23 (Company's balance sheet)                  |
|  |   | - 25–47 (Accounting principles and notes)       |
| Auditor's report for the financial year ended 31 December 2015 | Byggmästare Anders J Ahlström Fastighets AB (publ)'s consolidated annual report for the financial year ended 31 December 2015 | - 49–50 (Auditor's report)                      |

Investors should read all information which is incorporated in the Prospectus by reference. Information in the above documents which is not incorporated by reference is either deemed by the Company not to be relevant for investors in the Bonds or is covered elsewhere in the Prospectus. The documents can be obtained in paper format at the Company's head office and are also available at the Company's web page, [www.andersjahlstrom.se/fastighets](http://www.andersjahlstrom.se/fastighets).

**Documents available for inspection**

Copies of the following documents can be obtained from the Company in paper format during the validity period of this Prospectus at the Company's head office and are also available at the Company's web page, [www.andersjahlstrom.se/fastighets](http://www.andersjahlstrom.se/fastighets).

- The articles of association of the Company
- All documents which by reference are a part of this Prospectus, including historical financial information for the Company and its subsidiaries

**Terms and Conditions for the Bonds**

**TERMS AND CONDITIONS FOR  
BYGGMÄSTARE ANDERS J AHLSTRÖM FASTIGHETS AB (PUBL)  
MAXIMUM SEK 500,000,000  
SENIOR SECURED CALLABLE FLOATING RATE  
BONDS 2016/2021  
ISIN: SE0008294342**

Issue Date: 29 April 2016

*The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions.*

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

**TERMS AND CONDITIONS FOR**  
**BYGGMÄSTARE ANDERS J AHLSTRÖM FASTIGHETS AB (PUBL)**  
**MAXIMUM SEK 500,000,000**  
**SENIOR SECURED CALLABLE FLOATING RATE**  
**BONDS 2016/2021**  
**ISIN: SE0008294342**

**1. DEFINITIONS AND CONSTRUCTION**

**1.1 Definitions**

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

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

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

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

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

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

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

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

“**Book Equity**” means the aggregate book value of the Group’s total equity on a consolidated basis according to the latest Financial Report.

“**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 Price**” means:

- (a) the Make Whole Price if the early redemption is exercised before the First Call Date;
- (b) 102.509 per cent. of the Nominal Amount if the early redemption is exercised on or after the First Call Date up to (but excluding) the date falling thirty six (36) months after the Issue Date;
- (c) 102.007 per cent. of the Nominal Amount if the early redemption is exercised on or after the date falling thirty six (36) months after the Issue Date up to (but excluding) the date falling forty two (42) months after the Issue Date;
- (d) 101.505 per cent. of the Nominal Amount if the early redemption is exercised on or after the date falling forty two (42) months after the Issue Date up to (but excluding) the date falling forty eight (48) months after the Issue Date;
- (e) 101.004 per cent. of the Nominal Amount if the early redemption is exercised on or after the date falling forty eight (48) months after the Issue Date up to (but excluding) the date falling fifty four (54) months after the Issue Date;
- (f) 100.502 per cent. of the Nominal Amount if the early redemption is exercised on or after the date falling fifty four (54) months after the Issue Date up to (but excluding) the Final Redemption Date; or
- (g) 100.00% of the Nominal Amount if the early redemption is exercised on or after the date falling fifty four (54) months after the Issue Date up to (but excluding) the Final Redemption Date, provided that such early redemption is financed in full by way of the Issuer issuing Market Loan(s) in which the Holders shall have the possibility to participate by way of roll-over (however subject to the Issuer’s decision on allocation).

“**Cash Equivalent Investments**” means cash and short-term liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and any investments in money market funds.

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

“**Compliance Certificate**” means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying (i) that so far as it is aware no Event of Default is continuing or imminent or, if it is aware that such event is continuing or imminent, specifying the event and steps, if any, being taken to remedy it and, (ii) if provided in connection with a Financial Report being made available, that the Maintenance Test is met and including calculations and figures in respect of the ratio of Book Equity to Total Assets, the ratio of Net Interest Bearing Debt to Property Value and the Interest Coverage Ratio (including calculations in respect of any Equity Cure).

“**Conditions Subsequent**” means all events and evidences set forth in Clause 14 (*Conditions Subsequent*).

“**Confirmation**” has the meaning set forth in Clause 12.6 (*Property Valuations*).

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

“**Cure Amount**” has the meaning set forth in Clause 12.4.3.

“**EBITDA**” means, in respect of the Relevant 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 Group Company;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any exceptional items which are not in line with the ordinary course of business;
- (d) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which are accounted for on a hedge account basis);
- (e) not including any accrued interest owing to any Group Company;
- (f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (g) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (h) after adding back or deducting, as the case may be, the Group’s share of the profits or losses of entities which are not part of the Group; and
- (i) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of Group Companies.

“**Event of Default**” means an event or circumstance specified in Clause 15.1.

“**Equity Cure**” has the meaning set forth in Clause 12.4.3.

“**Escrow Account**” means the Issuer’s bank account held with the escrow bank and which has been pledged under the Escrow Account Pledge Agreement.

“**Escrow Account Pledge Agreement**” means the pledge agreement entered into between the Issuer and the Agent before the Issue Date in respect of a first priority pledge over the Escrow Account and all funds standing to the credit of the Escrow Account from time to time, granted in favour of the Agent and the Holders (represented by the Agent).

“**Exchange Offer Cash Component**” has the meaning set forth in the definition “Existing Bondholders’ Roll-over” below.

“**Existing Bondholders’ Roll-over**” means the Existing Bonds which in accordance with the Existing Bondholders’ acceptance of the Existing Bondholders’ roll-over shall be used as payment for the Bonds in the Initial Bond Issue (in kind) (“**Roll-over Bonds**”). Applicants delivering Roll-over Bonds will receive, in cash, on or about the early redemption date of the Existing Bonds, (i) accrued but unpaid interest on the Roll-over Bonds up until (and including) the early redemption date of the Existing Bonds and (ii) the premium of the call option amount to be paid by the Issuer for early redemption of the Existing Bonds (the “**Exchange Offer Cash Component**”).

“**Existing Bondholders**” has the meaning set forth in the definition “Existing Bonds” below.

“**Existing Bonds**” means the outstanding senior secured bonds 2013/2018 issued by the Issuer for the bondholders thereunder (the “**Existing Bondholders**”) of maximum SEK 200,000,000 with ISIN SE0005504719, which shall be redeemed in full and/or rolled-over into Bonds in connection with the Initial Bond Issue.

“**Existing Bond Security**” means all security provided in relation to the Existing Bonds.

“**Final Redemption Date**” means 29 April 2021.

“**Finance Charges**” means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company according to the latest Financial Report(s) (calculated on a consolidated basis) without taking into account any Transaction Costs and/or any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

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

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

- (a) monies borrowed or raised, including Market Loans;

- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases (the “**Operational Lease Freeze**”);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles as applicable on the Issue Date are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (f) 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);
- (g) 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
- (h) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)–(g).

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

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to Clause 12.10.1 (a)–(b).

“**First Call Date**” means the date falling thirty (30) months after the Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

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

“**Funds Flow Statement**” has the meaning set forth in Clause 13.1 (b).

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



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

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

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

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

“**Intercreditor Agreement**” means an intercreditor agreement satisfactory to the Agent in the agreed form as at the Issue Date to be entered into by the Issuer as borrower, the Agent (on behalf of the Holders) as senior creditor and any subordinated lender.

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

“**Interest Bearing Debt**” means the aggregate gross interest bearing debt of the Group on a consolidated basis according to the latest consolidated Financial Report.

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

“**Interest Payment Date**” means 29 January, 29 April, 29 July and 29 October each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 29 July 2016 and the last Interest Payment Date being the final Redemption Date).

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

“**Interest Rate**” means a floating rate of STIBOR (3 months) + 465 basis points per annum.

“**Interest Rate Protection Agreements**” means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or similar agreement or arrangement designed to protect the Issuer or its Subsidiaries against fluctuations in interest rates where such exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions or the Senior Facility, and not entered into for investment or speculation.

“**Issue Date**” means 29 April 2016.

“**Issuer**” Byggmästare Anders J Ahlström Fastighets AB (publ) (reg. no. 556734-5805, Domarebacken 38, SE-145 57 Norsborg, Sweden).

“**Issuing Agent**” means Carnegie Investment Bank AB (publ) (reg. no. 516406-0138, SE-103 38, Stockholm, Sweden), or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

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

“**Maintenance Test**” has the meaning set forth in Clause 12.4.1.

“**Main Shareholder**” means Mikael Ahlström, personal identification no. 560930-3937, and his Affiliates.

“**Make Whole Price**” means an amount equal to the sum of:

- (a) the present value on the relevant record date of one hundred and two point five zero nine (102.509) per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant Record Date of the remaining interest payments (excluding accrued but unpaid interest up to the relevant Redemption Date) up to and including the First Call Date (assuming that the Interest Rate for the period from the relevant Record Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Holders);

both present values under items (a) and (b) above calculated by using a discount rate of fifty (50) basis points over the comparable Swedish Government Bond Rate (*i.e.* comparable to the remaining duration of the Bonds until the First Call Date).

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

“**Material Adverse Effect**” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability or willingness to perform and comply with its payment and other undertakings under the Finance Documents or (iii) the validity or enforceability of the Finance Documents.

“**Mitt Alby**” means Mitt Alby AB (reg. no. 556931-8271, Domarebacken 38, SE-145 57 Norsborg, Sweden), being the direct Subsidiary of the Issuer as of the Issue Date.

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

“**Net Finance Charges**” means, for the Relevant Period, the Finance Charges according to the latest consolidated Financial Report, after deducting any interest payable for that Relevant Period to any Group Company and any interest income relating to cash or Cash Equivalent Investments and any amounts paid under Interest Rate Protection Agreements (and excluding any payment-in-kind interest capitalised on Shareholder Loans or other subordinated loans subject to the Intercreditor Agreement).

“**Net Interest Bearing Debt**” means the aggregate Interest Bearing Debt (excluding Shareholder Loans or other subordinated loans subject to the Intercreditor Agreement) less cash and Cash Equivalent Investments, including funds held on the Escrow Account, of the Group according to the latest consolidated Financial Report, in accordance with the Accounting Principles, adjusted for the Operational Lease Freeze.

“**Net Proceeds**” means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue which, after deduction has been made for the transaction costs payable by the Issuer to the Issuing Agent and sole bookrunner for the services provided in relation to the placement and issuance of the Bonds., shall be transferred to the Issuer and used in accordance with Clause 4 (*Use of proceeds*).

“**New Valuation Report**” has the meaning set forth in Clause 12.6 (*Property Valuations*).

“**Nominal Amount**” has the meaning set forth in Clause 2.1.

“**Operational Lease Freeze**” has the meaning set forth in item (a) of the definition “Financial Indebtedness” above.

“**Roll-over Bonds**” has the meaning set forth in the definition “Existing Bondholders’ Roll-over” above.

“**Parent**” means Byggmästare Anders J Ahlström Holding AB (reg. no. 556943-7774, Domarebacken 38, SE-145 57 Norsborg, Sweden), being the direct shareholder of the Issuer as of the Issue Date.

“**Property**” means (i) the real property BOTKYRKA ALBYBERGET \*5, located in Botkyrka municipality, Sweden, and (ii) any other property (land and buildings) or building rights owned or held by a Group Company from time to time.

“**Property Value**” means the aggregate fair value of the Property according to the latest consolidated Financial Report.

“**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.

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

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

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

“**Refinancing**” means a refinancing of the Senior Facility (which includes any security agreements in relation to the Senior Facility), up to the capital amount outstanding as of the date of the refinancing, that is entered into in all material respects on similar or more advantageous terms for the benefit of the borrowers and/or pledgors under such agreements (as applicable) and which are not detrimental to the Holders.

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

“**Relevant Period**” means each period of twelve (12) consecutive calendar months.

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

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

“**Security Documents**” means the Share Pledge Agreement, the Escrow Account Pledge Agreement and any other document designated as a security document by the Issuer and the Agent.

“**SEK**” means the lawful currency of Sweden.

“**Senior Facility**” means the SEK 465,000,000 senior facility loan (or any Refinancing thereof) raised by Mitt Alby under an agreement entered into by Mitt Alby (as borrower) and SBAB Bank AB (publ) (as lender) on or about 8 November 2013, as amended, of which SEK 446,400,000 was outstanding as of 31 December 2015.

“**Shareholder Loans**” means any shareholder loans of the Issuer or any of its Subsidiaries, where the Issuer or the relevant Subsidiary is the debtor, if such shareholder loans (i) are provided by any direct or indirect shareholder of the Issuer for the purpose of paying interest, principal or any other amounts due under the Bonds, (ii) according to its terms and pursuant to an Intercreditor Agreement between the relevant creditor and the Agent, are subordinated to the obligations of the Issuer under the Finance Documents, (iii) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date and (iv) according to its terms yield payment-in-kind interest.

“**Share Pledge Agreement**” means a first priority pledge over all of the issued shares in the Issuer pursuant to a share pledge agreement entered into between the Parent and the Agent (on behalf of the Holders).

“**STIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or
- (b) if no 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 one hundred million (100,000,000) for the relevant period; or

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

if any such rate is below zero (0), STIBOR will be deemed to be zero (0).

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

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

“**Subsidiary**” means, in relation to any Person, 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 fifty (50.00) per cent. of the total number of votes held by the owners, (b) otherwise controls more than fifty (50.00) per cent. of the total number of votes held by the owners, (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (d) exercises control as determined in accordance with the Accounting Principles.

“**Swedish Government Bond Rate**” means the yield to maturity at the time of computation of direct obligations of Sweden, acting through the Swedish National Debt Office (a Swedish Government Bond; Sw. *statsobligation*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two (2) Business Days (but not more than five Business Days) prior to the relevant Record Date for the Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the Redemption Date to the First Call Date; provided, however, that if the period from the Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation of Sweden, acting through the Swedish National Debt Office for which a weekly average yield is given, the Swedish Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth (1/12) of a year) from the weekly average yields of direct obligations of Sweden, acting through the Swedish National Debt Office, for which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of Sweden, acting through the Swedish National Debt Office, adjusted to a constant maturity of one year shall be used.

“**Total Assets**” means the aggregate book value of the Group’s total assets on a consolidated basis according to the latest Financial Report.

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with (i) the Initial Bond Issue or a Subsequent Bond Issue and (ii) the

listing of the Bonds (including additional Bonds) on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market).

“**Transaction Security**” means the security provided or to be provided under the Security Documents.

“**Valuation Report**” has the meaning set forth in Clause 12.6 (*Property Valuations*).

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

## 1.2 **Construction**

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

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

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

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

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

1.2.5 No delay or omission of the Agent or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

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

2.1 The aggregate amount of the bond loan will be an amount of up to SEK 500,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Nominal Amount**”). The total nominal amount of the Initial Bonds is SEK 250,000,000 (“**Initial Bond Issue**”). All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal

Amount. Bonds may be paid for in kind by delivery of Existing Bonds, subject to subscriptions from Existing Bondholders in accordance with the Existing Bondholders' Roll-Over, to be specified in a separate application form. The ISIN for the Bonds is SE0008294342. The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,000,000.

- 2.2 The Issuer may at one or more occasions after the Issue Date issue additional Bonds under these Terms and Conditions (each such issue, a “**Subsequent Bond Issue**”), until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 500,000,000, always provided that no Event of Default is continuing or would result from such issue. Subsequent Bonds shall benefit from and be subject to the Finance Documents and, for the avoidance of doubt, be subject to the same Terms and Conditions as the Initial Bonds. The price of the Subsequent Bonds may be set at a discount or at a higher price than the Nominal Amount.
- 2.3 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.4 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.5 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds each subsequent Holder confirms these Terms and Conditions.

### **3. STATUS OF THE BONDS**

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* and without any preference among them. The Bonds are secured by the Transaction Security.

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

- 4.1 The Issuer shall establish the Escrow Account prior to the Issue Date. On the Issue Date, the Issuing Agent shall transfer the Net Proceeds to the Escrow Account. For the purpose of securing that the Conditions Precedent for Disbursement have been fulfilled before any disbursement of the Net Proceeds is made, the Escrow Account will be pledged in favour of the Agent and the Holders (represented by the Agent). The pledge over the Escrow Account shall be released when the Conditions Subsequent have been fulfilled.
- 4.2 Upon fulfilment of the Conditions Precedent for Disbursement set out in Clause 13.1 have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the account bank to make the relevant transfer from the Escrow Account. The Net Proceeds shall then be used for the prepayment in full of the Existing Bonds (including any costs and expenses incurred by the agent and security agent under the Existing Bonds but excluding any Roll-over Bonds which shall be prepaid in full with Bonds in the Exchange Offer). Any remaining Net Proceeds shall be used for general corporate purposes. The proceeds from any Subsequent Bond Issue shall be used for general corporate purposes.

## 5. SECURITY

- 5.1 As continuing security for the due and punctual fulfilment of the Issuer's obligations under the Finance Documents, the Parent shall pledge to the Agent and the Holders (as represented by the Agent), as a first priority pledge, all of the shares in the Issuer pursuant to the Share Pledge Agreement.
- 5.2 The Issuer shall ensure that the Security Documents and all documents relating thereto are duly executed in favour of the Agent and the Holders (as represented by the Agent) and that such documents are legally valid, perfected, enforceable and in full force and effect according to their terms. The Issuer shall execute and/or procure the execution of such further documentation as the Agent may reasonably require in order for the Holders and the Agent to at all times maintain the security position envisaged hereunder.
- 5.3 The Agent will, where applicable, hold the Transaction Security on behalf of itself and the Holders in accordance with these Terms and Conditions and the Security Documents.
- 5.4 Except if otherwise decided by the Holders according to the procedures set out in Clauses 17 (*Decisions by Holders*), 18 (*Holders' Meeting*) and 19 (*Written Procedure*), the Agent is, without first having to obtain the Holders' consent, entitled to enter into binding agreements with the Group Companies or third parties if it is, in the Agent's sole discretion, necessary for the purpose of establishing, maintaining, altering, releasing or enforcing the Transaction Security or for the purpose of settling the various Holders' relative rights to the Transaction Security. The Agent is entitled to take all measures available to it according to the Security Documents.
- 5.5 If the Bonds are declared due and payable according to Clause 13 (*Termination of the Bonds*) or following the Final Redemption Date, the Agent is, without first having to obtain the Holders' consent, entitled to enforce the Transaction Security, in such manner and under such conditions that the Agent finds acceptable (if in accordance with the Security Documents).
- 5.6 If a Holders' meeting has been convened, or a Written Procedure instigated, to decide on the termination of the Bonds and/or the enforcement of the Transaction Security, the Agent is obligated to take actions in accordance with the Holders' decision regarding the Transaction Security. However, if the Bonds are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in these Terms and Conditions, the Agent shall not enforce any of the Transaction Security. If the Holders, without any prior initiative from the Agent or the Issuer, have made a decision regarding termination of the Bonds and enforcement of any of the Transaction Security in accordance with the procedures set out in Clauses 17 (*Decisions by Holders*), 18 (*Holders' Meeting*) and 19 (*Written Procedure*), the Agent shall promptly declare the Bonds terminated and enforce the Transaction Security. The Agent is however not liable to take action if the Agent considers cause for termination and/or acceleration not to be at hand, unless the instructing Holders in writing commit to



holding the Agent indemnified and, at the Agent's own discretion, grant sufficient security for the obligation.

- 5.7 Funds that the Agent receives (directly or indirectly) on behalf of the Holders in connection with the enforcement of the Transaction Security constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate account on behalf of the Holders. The Agent shall promptly arrange for payments of such funds in accordance with Clause 16 (*Distribution of proceeds*) as soon as reasonably practicable. If the Agent deems it appropriate, it may, in accordance with Clause 5.8, instruct the CSD to arrange for payment to the Holders.
- 5.8 For the purpose of exercising the rights of the Holders and the Agent under these Terms and Conditions and for the purpose of distributing any funds originating from the enforcement of Transaction Security, the Issuer irrevocably authorises and empowers the Agent to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Holders in accordance with Clause 5.7. To the extent permissible by law, the powers set out in this Clause 5.8 are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), which the Agent deems necessary for the purpose of carrying out its duties under Clause 5.7 (including as required by the CSD in order for the CSD to accept such payment instructions). Especially, the Issuer shall, upon the Agent's request, provide the Agent with a written power of attorney empowering the Agent to change the bank account registered with the CSD to a bank account in the name of the Agent and to instruct the CSD to pay out funds originating from an enforcement in accordance with Clause 5.7 to the Holders through the CSD.

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

- 6.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 6.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 6.3 Upon a transfer of Bonds, any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the transferee.
- 6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

- 6.5 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

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

- 7.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- 7.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 7.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 7.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under the Finance Documents, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 7.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.
- 7.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.
- 7.7 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

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

- 8.1 If any Person other than a Holder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney (or, if applicable, a coherent chain of

powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.

- 8.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Holder.
- 8.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 8.1 and 8.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

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

- 9.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under the Finance Documents shall be deposited in a certain bank account; such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 10.4 during such postponement.
- 9.4 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.
- 9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax.

## **10. INTEREST**

- 10.1 The Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Issue Date up to and including the relevant Redemption Date. Any Subsequent Bond will, however, carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.
- 10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 10.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 10.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at a rate which is 200 basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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

### **11.1 Redemption at maturity**

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

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

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

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

- 11.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day before the Final Redemption Date at the applicable Call Option Price together with accrued but unpaid Interest.
- 11.3.2 Redemption in accordance with Clause 11.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon

expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

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

11.4.1 Upon a Change of Control Event or a Listing Failure occurring, each Holder shall have the right to request that all, but not only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) calendar days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 12.10.1 (h). The fifteen (15) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event or Listing Failure.

11.4.2 The notice from the Issuer pursuant to Clause 12.10.1 (h) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 12.10.1 (h). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 11.4.1.

11.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 11.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 11.4 by virtue of the conflict.

11.4.4 Any Bonds repurchased by the Issuer pursuant to this Clause 11.4 may at the Issuer's discretion be disposed of in accordance with Clause 11.2 (*The Group Companies' purchase of Bonds*).

## 12. **SPECIAL UNDERTAKINGS**

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 12.

### 12.1 **Distributions**

The Issuer shall not, and shall procure that none of its Subsidiaries, (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay principal or pay interest under any shareholder loans, (v) grant any loans except to Group Companies or (vi) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's, or its Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (items (i) – (vi) above are together and individually referred to as a "**Restricted Payment**"), provided however that any such

Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, by:

- (a) any Group Company if such Restricted Payment is made to a Group Company and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis; or
- (b) the Issuer, provided that the aggregate amount of all Restricted Payments made by the Group in a financial year (including the Restricted Payment in question but excluding any Restricted Payment made in accordance with item (a) above) does not exceed an amount equal to fifty (50.00) per cent. of the Group's consolidated net profit (Sw. *årets resultat*) (calculated net of any gains from revaluation of assets) according to the annual audited consolidated Financial Report for the previous financial year.

## 12.2 Listing of Bonds

The Issuer shall ensure (i) that the Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months after the Issue Date, (ii) that the Bonds, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds) and (iii) that, upon any Subsequent Bond Issue, the volume of Bonds listed on the relevant Regulated Market promptly, and not later than ten (10) Business Days after the relevant issue date, is increased accordingly.

## 12.3 Market Loans

The Issuer shall not, and shall procure that none of its Subsidiaries will, (i) issue any Market Loan that has a final redemption date or, when applicable, early redemption dates or instalment dates which occur before the Final Redemption Date, (ii) create or allow to subsist, retain, provide, prolong or renew any guarantee or security over any of its/their assets (present or future) to secure any Market Loan or (iii) repurchase any Market Loan, or part thereof, issued by any Group Company, other than in relation to the Existing Bonds, the Bonds and any permitted early redemption of the Bonds in full.

## 12.4 Maintenance Test

12.4.1 The Issuer shall ensure that the following ratios are met at all times for as long as any Bond is outstanding (the "**Maintenance Test**"):

- (a) the ratio of Book Equity to Total Assets is 0.20 or greater;
- (b) the ratio of Net Interest Bearing Debt to Property Value does not exceed 0.75;  
and
- (c) the Interest Coverage Ratio is 1.40 or greater.

- 12.4.2 The Issuer may in its sole discretion choose to calculate the Maintenance Test in accordance with the Accounting Principles as applicable on the Issue Date, or the Accounting Principles as otherwise adopted or amended from time to time.
- 12.4.3 For the purpose of curing a deficiency in relation to the ratios referred to in paragraph (a), (b) or (c) above, the Issuer shall after the expiry of each Relevant Period have the right to increase its equity for the purpose of the calculation of the relevant ratio for such Relevant Period (an “**Equity Cure**”), provided that the amount used to cure any deficiency or potential default hereunder (the “**Cure Amount**”) shall be obtained in cash by the Issuer:
- (i) before the delivery of the Compliance Certificate relating to the Relevant Period immediately succeeding the expired Relevant Period during which the deficiency in relation to the relevant ratio was reported; and
  - (ii) as (A) new share capital, (B) unconditional shareholders’ contribution or (C) Shareholder Loans.
- 12.4.4 When re-calculating the ratio of Book Equity to Total Assets pursuant to an Equity Cure, the Book Equity used in the calculations shall be increased with the Cure Amount on a SEK by SEK basis.
- 12.4.5 When re-calculating the ratio of Net Interest Bearing Debt to Property Value pursuant to an Equity Cure, the Net Interest Bearing Debt used in the calculations shall be decreased with the Cure Amount on a SEK by SEK basis.
- 12.4.6 When re-calculating the Interest Coverage Ratio pursuant to an Equity Cure, the Finance Charges shall be reduced by an amount corresponding to the amount with which the Finance Charges would have been reduced if the Cure Amount was applied towards a SEK by SEK reduction of the Financial Indebtedness relevant for the Finance Charges for the entire Relevant Period calculated *pro forma* and, when making the SEK by SEK reduction, based on the weighted average (blended rate) Finance Charges for such Financial Indebtedness for such period. For the avoidance of doubt, such *pro forma* calculation may be included when calculating the Finance Charges for subsequent Relevant Periods having overlapping interim periods with the Relevant Period which first included the pro forma calculation, however only taking into account such overlapping interim periods.
- 12.4.7 Only one Equity Cure is allowed during a twelve (12) month period and only two (2) Equity Cures may occur in aggregate prior to the Final Redemption Date.

## 12.5 **Disposals of assets**

The Issuer shall not, and shall procure that none of its Subsidiaries, sell or otherwise dispose of shares in any Group Company or of all or substantially all of its or any Group Company’s assets or operations to any Person not being the Issuer or any of the wholly-owned Subsidiaries, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does

not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction in accordance with Clause 12.10.2.

#### 12.6 **Property valuations**

The Issuer shall procure that external valuation reports regarding the fair value of the Property as at 31 December each year are prepared by Savills Sweden AB, NAI Svefa B, CBRE, Newsec, Forum Fastighetsekonomi AB, DTZ or any other a reputable independent property advisor acceptable to the Agent (the “**Valuation Report**”). The Issuer shall, in connection with preparation of the quarterly interim unaudited consolidated reports of the Group, confirm to the Agent that the market value of the Property is, in the reasonable opinion of the Issuer, not less than the value set out in the latest Valuation Report or New Valuation Report (as applicable) (the “**Confirmation**”). If the Issuer suspects that the market value may be less than the value set out in the latest Valuation Report the Issuer has to submit a new Valuation Report in connection with preparation of the quarterly interim unaudited consolidated reports of the Group (the “**New Valuation Report**”).

#### 12.7 **Nature of business**

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

#### 12.8 **Dealings with related parties**

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

#### 12.9 **Compliance with law etcetera**

The Issuer shall, and shall procure that its Subsidiaries will, (i) comply in all material respects with all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq Stockholm or any other Regulated Market on which the Issuer’s securities from time to time are listed, and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

#### 12.10 **Financial reporting etcetera**

##### 12.10.1 The Issuer shall:

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



- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website not later than two (2) months after the expiry of each relevant interim period;
- (c) provide to the Agent the Valuation Report not later than two (2) months after 31 December of each year;
- (d) provide to the Agent the Confirmation not later than at the time of making available the reports referred to in paragraph (b) above unless the Issuer is unable to provide the Confirmation in which case the Issuer shall instead submit a New Valuation Report at such time;
- (e) procure that the results of latest Valuation Report or New Valuation Report (as applicable) are reflected in good faith in the following Financial Report(s), adjusted for any investments in and depreciations of the Property, respectively, made by a Group Company since such report was prepared;
- (f) issue a Compliance Certificate to the Agent (i) when a Financial Report is made available, (ii) in connection with the payment of any Restricted Payment or the incurrence of any Subsequent Bond Issue and (iii) at the Agent's request, within twenty (20) calendar days from such request;
- (g) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on the website of the Group;
- (h) promptly notify the Agent (and, as regards a Change of Control Event or a Listing Failure, the Holders) upon becoming aware of the occurrence of a Change of Control Event, a Listing Failure or an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice; and
- (i) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

12.10.2 The Issuer shall notify the Agent of any transaction referred to in Clause 12.5 (*Disposals of assets*) and shall, upon request by the Agent, provide the Agent with (i) any information relating to the transaction which the Agent deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness

of such information. The Agent is not responsible for assessing if the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (ii) above.

## 12.11 **Agent Agreement**

12.11.1 The Issuer shall, in accordance with the Agent Agreement:

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

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

## 12.12 **CSD related undertakings**

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

## 13. **CONDITIONS PRECEDENT FOR DISBURSEMENT**

13.1 The Agent's approval of the disbursements from the Escrow Account of the relevant Net Proceeds is subject to the following documents having been received by the Agent, in form and substance satisfactory to the Agent (acting reasonably):

- (a) copy of a duly executed and issued unconditional and irrevocable call option notice for the repayment of the Existing Bonds, such repayment to take place in connection with the disbursement from the Escrow Account (however, with due regard to the payment mechanisms of the CSD);
- (b) copy of duly executed funds flow statement evidencing that the amounts to be released from the Escrow Account shall be transferred to the Issuer's bank account in SEK registered with the CSD and used towards repayment of the Existing Bonds (excluding any Roll-over Bonds) in full as well as payment of the Exchange Offer Cash Component ("**Funds Flow Statement**");
- (c) duly executed release notice(s) from the agent and security agent under the Existing Bonds confirming that all Existing Bond Security will be released upon the repayment of the Existing Bonds in full; and
- (d) copies of duly executed Share Pledge Agreement and a confirmation from the Parent and the Issuer that all measures will be taken in order to perfect the security interests under the Share Pledge Agreement, in accordance with

Clause 14.1 (c), as soon as practically possible after repayment of the Existing Bonds.

13.2 When the Conditions Precedent for Disbursement set out above have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the account bank to make the transfers set out in the Funds Flow Statement from the Escrow Account.

13.3 The Agent may assume that the documents presented under Clause 13.1 are correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such documents.

#### **14. CONDITIONS SUBSEQUENT**

14.1 The Issuer shall provide evidence to the Agent, in form and substance satisfactory to the Agent (acting reasonably), showing that the following events have occurred as soon as possible but no later than at the times set out below (if applicable):

(a) that the Existing Bonds have been repaid in full or rolled-over into Bonds and that the Exchange Offer Cash Component has been paid in full, such evidence to be provided as soon as possible and no later than one (1) Business Day after the transfers set out in the Funds Flow Statement has been made (however, with due regard to the payment mechanisms of the CSD);

(b) that all Existing Bond Security has been released with no remaining obligations of the Parent or the Issuer, such evidence to be provided as soon as possible and no later than three (3) Business Days after the transfers set out in the Funds Flow Statement has been made; and

(c) that the security interest purported to be created under the Share Pledge Agreement has been perfected, such evidence to be provided as soon as possible and no later than five (5) Business Days after the transfers set out in the Funds Flow Statement has been made.

14.2 When the Conditions Subsequent have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall release the pledge over the Escrow Account.

#### **15. TERMINATION OF THE BONDS**

15.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Holder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 15.6 or 15.7, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date;
- (b) **Conditions subsequent:** The Issuer has not provided the Agent with evidence, in form and substance satisfactory to the Agent (acting reasonably), showing that each of the actions described under Section “Conditions Subsequent” has been taken or that the events described therein have occurred not later than at the times set out therein;
- (c) **Other obligations:** The Issuer or the Parent does not comply with the Finance Documents in any other way than as set out under paragraph (a) above, provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within twenty (20) Business Days from such request (if the failure or violation according to the Agent (acting reasonably) is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (d) **Cross- acceleration:**
  - (i) Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described);
  - (ii) any security interest securing Financial Indebtedness over any asset of any Group Company is enforced;provided however that the amount of Financial Indebtedness referred to under item (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 10,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;
- (e) **Insolvency:**
  - (i) Any Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness; or
  - (ii) a moratorium is declared in respect of the Financial Indebtedness of any Group Company;
- (f) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is

advertised and (ii) in relation to the Issuer's Subsidiaries, provided that such Subsidiary represents less than five (5.00) per cent. of the Total Assets (excluding any intra-group transactions), solvent liquidations) in relation to:

- (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Group Company;
  - (ii) 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
  - (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Group Company;
- (g) **Mergers and demergers:**
- (i) A decision is made that any Group Company shall be merged or demerged into a company which is not a Group Company, unless the Agent has given its consent (not to be unreasonably withheld or delayed) in writing prior to the decision of the merger and/or demerger (where consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors); or
  - (ii) the Issuer merges with any other Person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity;
- (h) **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 exceeding SEK 10,000,000 and is not discharged within thirty (30) calendar days;
- (i) **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; or
- (j) **Continuation of the business:** A Group Company ceases to carry on its business, except if due to (i) a permitted merger or demerger not prohibited by Clause 15.1 (g) (*Mergers and demergers*) or (ii) a permitted disposal as stipulated in Clause 12.5 (*Disposals of assets*), provided it has a Material Adverse Effect.

15.2 The Agent may not terminate the Bonds in accordance with Clause 15.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under Clause 15.1 (e) (*Insolvency*).

- 15.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 15.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 15.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 15.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 15.1 and provide the Agent with all documents that may be of significance for the application of this Clause 15.
- 15.5 The Issuer is only obliged to inform the Agent according to Clause 15.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with Nasdaq Stockholm (or any other Regulated Market, as applicable) or otherwise, the Issuer shall however be obliged to either seek the approval from Nasdaq Stockholm (or any other Regulated Market, as applicable) or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 15.4.
- 15.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 15.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 17 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 15.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 17 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the

Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.

- 15.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 15, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 15.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 15 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 17 (*Decisions by Holders*).
- 15.10 If the Bonds are declared due and payable in accordance with this Clause 15, the Issuer shall redeem all Bonds with an amount per Bond equal to one hundred and two point five zero nine (102.509) per cent. of the Nominal Amount, or if the Bonds are accelerated on or after the First Call Date, at the applicable Call Option Price.

## **16. DISTRIBUTION OF PROCEEDS**

- 16.1 If the Bonds have been declared due and payable in accordance with Clause 15 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) other costs, expenses and indemnities relating to the termination of the Bonds and the enforcement of the Transaction Security or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure;
  - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
  - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- 16.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16.1.

- 16.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds according to the Escrow Funds Act and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 16 as soon as reasonably practicable.
- 16.4 If the Issuer or the Agent shall make any payment under this Clause 16, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

## **17. DECISIONS BY HOLDERS**

- 17.1 A request by the Agent for a decision by the Holders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 17.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Holders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 17.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 17.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:
- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 19.3, in respect of a Written Procedure,
- may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- 17.5 The following matters shall require consent of Holders representing, in respect of item (a) and (b) below at least two thirds (2/3), and in respect of items (c) – (f) below at least



three quarters (3/4), of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3:

- (a) waive a breach of an undertaking set out in Clause 12 (*Special undertakings*);
- (b) amend a provision in these Terms and Conditions or the Share Pledge Agreement, subject to paragraph (f) below;
- (c) release the Transaction Security in whole or in part;
- (d) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
- (e) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
- (f) amend the provisions in this Clause 17.5.

17.6 Any matter not covered by Clause 17.5 shall require the consent of Holders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3. This includes, but is not limited to, any amendment to or waiver of the Finance Documents that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 20.1 (a), (b) or (c)) a termination of the Bonds or the enforcement of the Transaction Security in part or in full.

17.7 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Holders' Meeting or the Agent in a Written Procedure, will prevail. The chairman at a Holders' Meeting shall be appointed by the Holders in accordance with Clause 17.6.

17.8 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least twenty (20.00) per cent. of the Adjusted Nominal Amount:

- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.

17.9 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 18.1) or initiate a second Written Procedure (in accordance with Clause 19.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 17.8 shall not apply to such second Holders' Meeting or Written Procedure.

17.10 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under

the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.

- 17.11 A Holder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 17.13 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 17.14 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.15 If a decision shall be taken by the Holders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 17.16 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

## **18. HOLDERS' MEETING**

- 18.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 18.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 18.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 21.4.3, the Issuer shall no later than five (5) Business Days

after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 18.1.

- 18.3 The notice pursuant to Clause 18.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 18.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 18.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 18.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 18.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

## **19. WRITTEN PROCEDURE**

- 19.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 19.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19.1 to each Holder with a copy to the Agent.
- 19.3 A communication pursuant to Clause 19.1 shall include (i) each request for a decision by the Holders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be

entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 19.1), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 19.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- 19.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 19.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 17.5 and 17.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.5 or 17.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **20. AMENDMENTS AND WAIVERS**

- 20.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend the Finance Documents or waive any provision in the Finance Documents, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
  - (c) such amendment or waiver is necessary for the purpose of listing the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
  - (d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 17 (*Decisions by Holders*).
- 20.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- 20.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 20.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

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

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

### **21.1 Appointment of Agent**

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

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

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

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

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

### **21.2 Duties of the Agent**

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

21.2.2 Upon request by a Holder, the Agent shall promptly distribute to the Holders any information from such Holder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent

shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.

- 21.2.3 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 21.2.4 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 21.2.5 The Agent shall treat all Holders equally and, when acting pursuant to the Finance Documents act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 21.2.6 The Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 21.2.7 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under the Finance Documents or (iii) when the Agent is to make a determination under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 16 (*Distribution of proceeds*).
- 21.2.8 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 21.2.9 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 21.2.10 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

21.2.11 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents, or (ii) if it refrains from acting for any reason described in Clause 21.2.10.

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

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

21.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.

21.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

21.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 17 (*Decisions by Holders*).

21.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Holders under the Finance Documents.

### 21.4 **Replacement of the Agent**

21.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

21.4.2 Subject to Clause 21.4.6, if the Agent is insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

21.4.3 A Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders'

Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.

- 21.4.4 If the Holders have not appointed a successor Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 21.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent the Finance Documents.
- 21.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 21.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

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

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



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

- 23.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 23.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the listing of the Bonds listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (Sw. *lag (2007:528) om värdepappersmarknaden*).

**24. NO DIRECT ACTIONS BY HOLDERS**

- 24.1 A Holder may not take any steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or a Subsidiary in relation to any of the liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- 24.2 Clause 24.1 shall not apply if the Agent has been instructed by the Holders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 21.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 21.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.11 before a Holder may take any action referred to in Clause 24.1.
- 24.3 The provisions of Clause 24.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 11.4 (*Mandatory repurchase due to a Change of Control Event or Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Holders.

**25. TIME-BAR**

- 25.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been time-barred and has become void.

- 25.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to the right to receive payment of Interest (excluding capitalised Interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

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

### **26.1 Notices**

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

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

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

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

### **26.2 Press releases**

- 26.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 11.3–11.4, 12.10.1 (h), 15.6, 16.4, 17.16, 18.1, 19.1, 20.3, 21.2.11 and 21.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

- 26.2.2 In addition to Clause 26.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Agent may send to the Holders under these Terms and

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

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

- 27.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 27.2 The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 27.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.
- 27.4 The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **28. LISTING**

The Issuer intends to list the Bonds within thirty (30) calendar days, and has undertaken to list the Bonds within twelve (12) months, after the Issue Date on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) in accordance with Clause 12.2 (*Listing of the Bonds*). Further, if the Bonds have not been listed on the corporate bond list of Nasdaq Stockholm within sixty (60) calendar days after the Issue Date, each Holder has a right of repayment (put option) of its Bonds in accordance with Clause 11.4 (*Mandatory repurchase due to a Change of Control Event or Listing Failure (put option)*).

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

- 29.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 29.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 29.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 29.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

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