



## **OFFENTLIGA HUS I NORDEN AB (PUBL)**

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### **Prospectus**

**Senior Unsecured Floating Rate Notes  
2017/2021**

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**UP TO SEK 700,000,000**

**ISIN: SE0010023259**

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*Issuing Agent*

**Swedbank**

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**12 January 2018**

## IMPORTANT NOTICE

This prospectus (the "Prospectus") has been prepared by Offentliga Hus i Norden AB (publ) ("Offentliga Hus", "the Company" or "the Issuer" and together with its direct and indirect subsidiaries, unless the context indicates otherwise, the "Group"), a public limited liability company (Sw. aktiebolag) governed by the laws of Sweden, with its registered office at Nybrogatan 3, SE-114 34, Stockholm, Sweden and with Reg. No. 556824-2696, in relation to the application for the listing of the senior unsecured floating rate notes (the "Notes") on the corporate bond list on Nasdaq Stockholm ("Nasdaq Stockholm"). Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy, nor is there any sale of the securities being offered.

Pareto Securities AB ("Pareto") and Swedbank AB (publ) ("Swedbank") have acted as arrangers in connection with the issue of the Notes (the "Arrangers"). This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument) (the "Trading Act") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council. This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "SFSA") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA's website ([www.fi.se](http://www.fi.se)) and the Issuer's website ([www.offentligahus.se](http://www.offentligahus.se)).

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

This Prospectus may not be distributed in any jurisdiction where such distribution would require any additional prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdiction. Persons into whose possession this Prospectus may come are required to inform themselves about, and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. The Notes have not been, and will not be, registered under the United States Securities Act of 1933 or the securities laws of any state or other jurisdiction outside Sweden. Subject to certain exemptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be provided, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer's or the Group's business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Trading Act.

### **Forward-looking statements**

This Prospectus may contain certain forward-looking statements that reflect the Issuer's current views or expectations with respect to future events and financial operational performance. The words "intend", "estimate", "may", "plan", "anticipate" or similar expressions regarding indications and forecast of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statement will materialise. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statement.

Factors that could cause the Issuer's and the Group's actual operations, results or performance to differ from the forward-looking statements include, but are not limited to, those described in "Risk factors". The forward-looking statements included in this Prospectus apply only to the date of this Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Any subsequent forward-looking information that can be ascribed to the Issuer and the Group or persons acting on the Issuer's behalf is subject to the reservations in or referred to in this section.

Words and expressions defined in the Terms and Conditions have the same meanings when used in this Prospectus, unless expressly stated or the context requires otherwise.

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| “Agent”   | means Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879.  |
| “Note” or “Notes”                               | mean the senior unsecured callable floating rate notes issued under the Note Issue.   |
| “Note Issue”                                    | means the note issue with ISIN SE0010023259.  |
| “Noteholder”                                    | means a person who is registered on a Securities Account as direct registered owner (Sw. <i>ägare</i> ) or nominee (Sw. <i>förvaltare</i> ) with respect to a Note. |
| “Euroclear”                                     | means Euroclear Sweden AB, Reg. No. 556112-8074.  |
| “Issuing Agent”                                 | means Swedbank AB (publ), Reg. No. 502017-7753, or any other party replacing it as Issuing Agent, in accordance with the Terms and Conditions.                      |
| “Nasdaq Stockholm”                              | means Nasdaq Stockholm Aktiebolag, Reg. No. 556420-8394, or the regulated market Nasdaq Stockholm, depending on the context.  |
| “Offentliga Hus”, “the Company” or “the Issuer” | means Offentliga Hus i Norden AB (publ), Reg. No. 556824-2696, or the Group, depending on the context.  |
| “Prospectus”                                    | means this prospectus, including any documents incorporated by reference.   |
| “SEK”   | means the lawful currency of Sweden.  |
| “Swedish Companies Act”                         | means the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i> ).  |
| “Terms and Conditions”                          | means the terms and conditions for the Notes.   |
| “the Group”                                     | means the group in which Offentliga Hus is the parent company.  |
| “the Prospectus Directive”                      | means Directive No 2003/71/EG of the European Parliament and of the Council of 4 November 2003.   |
| “the Prospectus Regulation”                     | means Regulation (EC) No 809/2004 of the Commission of 29 April 2004 implementing the Prospectus Directive.   |

## **RISK FACTORS**

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*Investments in notes always entail a certain degree of risk and this is also the case for an investment in the Notes. A number of factors, both within the Issuer's control but also factors not controllable by the Issuer, affect, or could affect, the Issuer's profit, financial position and the Notes. Described below, in no particular order of importance and without claim to be exhaustive, are the risk factors and significant circumstances considered to be material to the Issuer's business and future development. The risk factors currently applicable, both general risks attributable to the Issuer's operations and risks linked directly to the Notes in their capacity of financial instruments, are described below. The intention is to describe risks that are linked to the Issuer's business and thus also the Issuer's ability to fulfil its obligations in accordance with the Terms and Conditions and the market risks associated with the Notes.*

*Before making a decision about acquisition of the Notes, any potential investors should carefully consider the risk factors described below, as well as any other provided information about the Issuer and the Notes. In addition, an investor must, alone or together with its financial and other advisers, engage in a general evaluation of external facts, other provided information and general information about the real estate market and real estate companies from its own perspective. An investor should have adequate knowledge to evaluate the risk factors as well as sufficient financial strength to bear these risks.*

*Additional risk factors that are not currently known or not currently considered to be material may also affect the Issuer's future operations, performance, result and financial position, and thus the Issuer's ability to fulfil its obligations in accordance with the Terms and Conditions.*

*All risk factors described below may potentially adversely affect the Issuer's operations, financial position and result. In turn this would affect the Issuer's ability to fulfil its obligations in accordance with the Terms and Conditions.*

### **Risks relating to the Issuer**

#### *Macroeconomic factors*

The real estate business is to a large extent affected by macroeconomic factors such as the general economic trend, regional economic development, employment rate development, production rate of new premises, changes of infrastructure, inflation and interest rates. The development of the economy is a material factor for supply and demand on the real estate market and accordingly affects vacancy and rental rates for the Properties.

Expectations regarding inflation affect the interest rate and therefore affect the Group's net financial income. The interest cost for debts to financial institutions is one of the Group's main cost items. In the long term, changes in the interest rate have a significant effect on the Group's result and cash flow. Inflation also affects the Group's costs. In addition, changes in the interest rate and inflation also affect the yield requirements and thus the market value of the Properties.

Negative changes in macroeconomic factors could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Rental income and rental development*

Rental income is the Group's main source of income. The Group's rental income is affected by the vacancies of the Properties, contracted rental rates and the tenants paying their rents on time. Rental rates are affected by, *inter alia*, the supply and demand on the market and the level of the market rental rates.

Increased vacancies and/or decreased rental rates will negatively affect the Group's earnings. The risk of fluctuations in vacancies increases with more single large tenants. The ten largest tenants as of 30

September 2017 accounted for 53.0 per cent. of the total contracted rental income, of which the largest tenant accounted for MSEK 23, being 12.5 per cent. of the total contracted rental income. The total number of leases entered into with the ten largest tenants was 59 as of 30 September 2017. There is a risk that the Group's larger tenants do not renew or extend their lease agreements upon expiry and that the Group does not find new tenants, which in the long term could lead to a decrease in rental income and an increase in vacancies. Further, there is a risk that lease agreements adhering to newly acquired properties are short term lease agreements that require the Issuer or a Group Company to re-negotiate and renew or extend the term of the lease agreements. Should such negotiations not result in renewal or extension of the lease agreements, there is a risk that the vacancy rate of the Group increases and that the rental income of the Group will decrease. Such risks will be especially prolific in times when the Issuer plans on concluding a large number of property acquisitions. The leases entered into with the Group's ten largest tenants are of different duration. The average remaining term of these leases was 8.20 years as of 30 September 2017. Furthermore, as the Group focuses on properties with public sector tenants, its rental income and vacancy rates are dependent on, *inter alia*, municipal budgets and the development of the local public sector.

Large fluctuations in vacancies, a decrease in the market rental rates or any other loss of rental income may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Geographical risks*

The supply and demand for properties and the return on property investments varies between different geographical markets and may develop differently within geographical markets. The Group has a property portfolio with 90 Properties in 37 Swedish municipalities. Certain markets may be more sensitive to fluctuations in demand. If the public sector's demand for premises to lease declines in any or all of the geographical markets where the Properties are located, it could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Technical risks*

Real estate investments involve technical risks. A technical risk can be described as the risk related to the technical operations of the Property, such as the risk of defects relating to the construction of the Property, other latent shortcomings or deficiencies, damages (for instance due to fire or other forces of nature) and environmental hazards. If any technical problems should occur, such occurrence may result in significantly increased costs for the Properties which may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Operating and maintenance costs*

Tenants leasing community service properties usually have a relatively extensive liability for operations and maintenance. Operating costs are mainly costs that are tariff-based, such as costs for electricity, cleaning, water and heating. Several of these goods and services can only be bought from one provider, which may also affect the price. When a cost increase is not compensated through regulation of the lease, or an increase in rent by renegotiation of the lease agreement, it may have a negative effect on the Group's financial position and results. In the event of vacancies, the Group's result may be affected mainly by loss of revenue.

Maintenance costs include costs that are necessary in order to maintain the standard of Properties in the long term. The occurrence of unforeseen and extensive renovation needs on Properties may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

### *Property management risks*

The Issuer has entered into property management agreements with Nordic PM AB, Reg. No. 556970-9727, and OH Management AB, Reg. No. 556969-0562, private limited liability companies. Nordic PM is ultimately controlled 70 per cent. by Aktiebolaget Fastator (publ) (“**Fastator**”). OH Management is controlled 50 per cent. by Cofigelux Sarl (“**Cofigelux**”) and 50 per cent. by Fastator, the current owners of the issuer (through a 50/50 joint holding company). The Issuer outsources the management of the Group’s property portfolio to Nordic PM AB and OH Management AB respectively. Consequently, the Issuer is dependent on the services provided by Nordic PM AB and OH Management AB for the management of its Properties. Should the agreements be terminated or should their continuity otherwise be jeopardised (e.g. by way of non-renewal or breach of contract) there is a risk that the Group cannot find another property manager before the end of the term of the agreement and that Group may have to enter into another property management agreement on less favourable terms. If this risk was to materialise, this could negatively affect the Group’s operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

### *Holding company risks*

The Issuer is a holding company and the Group’s operations are mainly run through its subsidiaries. The Issuer’s ability to make required payments of interest on its debts and funding is affected by the ability of its subsidiaries to transfer available funds to it, and hence the Issuer is dependent on its subsidiaries to fulfil its obligations under the Notes. The Group intends to provide the Issuer with liquidity by way of intra-group loans, dividends or other transfers of value in order for the Issuer to fulfil its obligations under the Notes. The transfer of funds to the Issuer from its subsidiaries may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiary, including the relevant subsidiaries’ financing arrangements. If the subsidiaries do not provide liquidity, or due to other circumstances, conditions, laws or regulations are prevented from providing liquidity to the Issuer, there is a risk that the Issuer will not be able to fulfil its obligations under the Notes.

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

The knowledge, experience and commitment of the Group’s employees are important for its future development. If the Group 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 Group, it may negatively affect the Group’s operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

### *Transactions*

The Group’s Property portfolios may vary over time. The acquisition and sale of Properties or Property owning companies may lead to attractive Properties or Property owning companies being disposed of whereas less attractive Properties or Property owning companies may be acquired, which could lead to a decrease in the market value of the Group’s Property portfolios. The disposal of Properties within the Group could also have a significant negative effect on the Group’s cash flow if such Properties are sold at a low price. If the Properties are sold at a lower price than expected or if the market value of the Properties decreases, this could negatively affect the Group’s operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

All types of transactions, including acquisitions and divestments of real estate, are associated with risks and uncertainties. For example, when acquiring real estate there is uncertainty regarding future loss of tenants, potential environmental impact from activities carried out on the property as well as decisions from authorities. When acquiring real estate companies, there are risks relating to, *inter alia*, tax, environmental issues and disputes. If any of these risks were to materialise, this could negatively affect the Group’s operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

### *Risks relating to acquisitions and company integration*

The Group is continually acquiring companies, whereby the Group is exposed to the risk of unexpectedly increasing transaction costs or cancelled acquisitions, which could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

The Group is exposed to integration risks, related to increased merging costs, organisational costs, risks related to the inability to retain key personnel and unexpected costs related to management of new tenants, unexpected environmental clean-up costs or costs related to unexpected real estate property condition. Such increased costs could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

### *Risks relating to developing and renovating projects*

Developing new Property as well as renovating existing Property or acquiring vacant Property involves risks such as miscalculations of customer demand leading to unsold premises, unleased premises, lower profitability for the project and undesired tied-up capital on the balance sheet. When developing new Property or renovating existing Properties, there is a risk that the Group is unable to lease vacant Properties it has acquired or that such development or renovation turns out less profitable than expected, or that premises remain unsold and the Group has undesired tied-up capital on the balance sheet, which could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

### *Risks relating to local plans and permits for new construction and re-construction*

Property development projects (including new construction, re-construction of buildings or change of use) is subject to permits and decisions from authorities unless such are already in place. Such permits and decisions may not always be granted which can cause delays, increased costs and even jeopardise project realisation. Further, modified municipal planning may lead to local plans not being approved causing delays and increased costs pertaining to necessary restructuring of the project. If necessary permits or approvals are not obtained, cause delays, increase costs or even jeopardise the project's realisation, this could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

### *Risks relating to student accommodations*

Circa 18 per cent. of the Group's property portfolio is made up of student accommodations. The nature of student accommodations is innately temporary and a high tenant turnover in connection with the tenant's presumably lower sense of responsibility and care for the accommodation results in a risk that the Issuer has to allocate more resources for property management and maintenance. Moreover, the risk for unforeseen costs is typically higher for student accommodations in comparison with other commercial properties in the Group's property portfolio. The aforementioned risks could negatively affect the Group's results and financial position and in turn the performance of the Issuer under the Notes.

### *Changes in value of Properties*

The Group's Properties are reported at fair value (Sw. *verkligt värde*) in the balance sheet and with changes in value in the profit and loss account. Different factors may cause the Group to write down the fair value of its Properties, which may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

Such factors could both be Property specific, such as rent levels, occupancy ratio and operative expenses, and market specific, such as macroeconomic effects, general economic trends, growth, unemployment levels, the rate of production of new premises, population growth, inflation and interest rates.

If the value of the Properties decreases, causing the Group to write down their value, it could result in a number of consequences, such as a breach of the covenants of the loans owed by the Group from time to time, which in turn could result in such loans being accelerated prior to maturity and consequently affecting the liquidity of the Group. A material decrease of the market value of the Properties would also have a negative impact on the Group's possibilities to dispose of its Properties without incurring losses, which may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Operational risk*

Operational risk is the risk of incurring losses due to inadequate procedures and/or irregularities. Inadequate internal control, lack of procedures and/or irregularities in the operational security could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Environmental risks*

Property management includes environmental risks. The Swedish Environmental Code (Sw. *miljöbalken (1998:808)*) states that everyone who has conducted a business operation that has contributed to pollution, also has a responsibility for remediation of the property. If the responsible person cannot carry out or pay for the remediation of a polluted property, the person who has acquired the property is liable for remediation provided that the buyer at the time of the acquisition knew of or should have discovered the pollution. This means that claims, under certain conditions, may be raised against the Group for soil remediation or for remediation concerning presence or suspicion of pollution in soil, water areas or ground water, in order to put the property in a condition pursuant to the Swedish Environmental Code. Such claims may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

Furthermore, changed laws, regulations and requirements from authorities in the environmental area could result in increased costs for the Group with respect to sanitation or remediation regarding currently held or future acquired properties, as well as increased costs for carrying out planned real estate development, both of which may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Counterparty risk*

Counterparty risk is the risk of the Group's current and potential tenants not paying the agreed rent as it falls due or otherwise abstaining from fulfilling their obligations. The counterparty risk further implies the risk that new developments and renovation projects may be delayed due to suppliers not being able to deliver on time or contractors being unable to finish projects as planned. If the Group's counterparties are unable or unwilling to fulfil their obligations towards the Group, it may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

In addition, counterparty risks within the Group's financial operations arise, *inter alia*, in the event of investment of excess liquidity, if derivatives are entered into and upon obtaining long-term and short-term credit agreements. If any counterparty risk arises it may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Competition*

The Group operates in a competitive industry. The Group's competitiveness is, amongst other things, dependent on its ability to predict future changes in the industry and to quickly adapt to current and future market needs. It may become necessary for the Group to make significant investments, restructuring operations or price reductions in order to adapt to new competition and the Group's competitors may have greater resources and capabilities to better withstand downturns in the market, compete more effectively,

retain skilled personnel and react faster to changes in local markets. If the Group has to make significant investments, restructurings or price reductions due to increased competition, it may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Risks relating to inadequate insurance*

The Group has insured its operations against usual losses and/or potential liability in relation to third party claims. Certain types of losses and/or damages are generally not covered by insurance policies due to such losses being considered as impossible to insure, for example losses resulting from the act of war, terrorism, professional liability or personal liability (the latter two where damages are caused by negligence, wilful misconduct or criminal acts). Further, most of the Group's insurances (i.e. the insured amounts) are limited by specified maximum amounts per claim, series of injuries and the specified insurance periods. In the event that a loss is not covered by the Group's insurance policies or that an incurred loss exceeds the maximum amount covered by the relevant insurance policy, or upon the occurrence of consequential loss, this may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Liquidity risk*

Liquidity risk is the risk that the liquid assets of the Group are not sufficient to meet its payment obligations at the maturity date or that the Group cannot dispose of securities at a fair price. The Group will be dependent on available liquidity in order to fulfil its obligations, making investments and paying interest and amortisation costs related to its financing. If the Group does not have sufficient liquidity to fulfil its obligations this could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Refinancing risk*

Refinancing risk is the risk that financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the Notes or other debt owed by the Group falls due and needs to be refinanced. This could in turn affect the Group's liquidity and consequently affect the possibility to repay debt as it falls due.

The Group's business is partly financed by externally provided capital. The bulk of the required capital for financing of both development of existing Properties and future acquisitions is and will be provided by banks, credit institutions or other lenders.

During the financial crisis, the volatility and the disruptions in the financial and credit markets were great, with reduction in liquidity and higher credit risk premiums for many credit institutions. If the Group cannot refinance itself or only may refinance itself at much higher costs, this could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Covenants in financing agreements*

The Group's external financing agreements may contain terms and conditions which impose restrictions on the Group's business. If a Group Company is in breach of any of its covenants (e.g. financial covenants) in its loan agreements, it could lead to loans being accelerated, leading to immediate repayment or the creditor taking possession of security. Further, certain loan agreements contain cross-default provisions which could trigger the acceleration of other payment obligations within the Group. A breach of any covenant could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

Some of the Group's credit arrangements as well as the terms for the Notes contain provisions that restrict the possibility to pay dividends (within the Group) or incur or extend certain financial indebtedness, for

example, that Group Companies may not incur or extend certain financial indebtedness if certain financial covenants are not met after such incurrence and/or extension. There is a risk that such provisions restrict the possibilities to move and obtain funds within and to the Group and thus impede the execution of scheduled acquisitions, renovations or other forms of maintenance of the Properties. If the Group's Properties cannot be renovated as scheduled or if certain transactions cannot be executed as a result of inadequate financing, this could have a materially adverse effect on the Company's and the Group's business, financial position and result.

#### *Ownership risk*

The Issuer is currently owned in equal parts by two entities, Cofigelux and Fastator, through the joint holding company Offentliga Hus i Norden Holding AB ("**Offentliga Hus Holding**"). The direct parent company of the Issuer, Offentliga Hus Holding, is largely financed with capital provided by its shareholders in the form of interest-bearing shareholder loans that mature prior to the Notes. Aside from the previously mentioned shareholder loans, a bond issued by Fastator in the current outstanding amount of MSEK 250 (with a framework amount of MSEK 500) and certain other credits provided by third parties will mature prior to the Notes. If the shareholders of the Issuer cannot refinance themselves or only may refinance themselves at much higher costs, this could negatively affect the Group's access to further funding from the current owners.

Fastator is an investment company that partly finances its investments through public bonds and loans with current assets as security. Should either owner default on their loans, pledged assets could be taken over by its lenders. Further, the owners have communicated that the ownership structure of the Group is likely to be broadened during the duration of the Notes. It is therefore implied that the ownership structure may change during the duration of the Notes issued by the Issuer. In the event that certain pledged assets of the owners are taken over by its lenders or that the ownership structure of the Group changes, there is a risk that the Issuer will ultimately have access to less further funding from the owners which in turn may negatively affect the Issuer's financial position.

#### *Interest-rate risk*

Other than equity, the Group's operations are mainly financed by loans from credit institutions. Interest expenses are therefore one of the Group's main cost items. The Group's total interest costs for the financial year of 2016 amounted to MSEK 31.9. Interest rate risk is described as the risk that changes in interest rates affect the Group'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 Group'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*). The Group has no outstanding interest rate derivatives or other hedge arrangements other than fixed interest rates on some of its outstanding loans. Changed interest rates may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Reputational risk*

The Group is dependent on its good reputation. The Group's reputation is particularly important in relation to new and current tenants. As an example, operative problems or maintenance problems could damage the Group's reputation, which could lead to difficulties obtaining new or keeping current tenants. The Group may further be negatively exposed in public media, with a limited ability to anticipate or respond to such publications. Damage to the Group's reputation could lead to loss of income or loss of growth potential, which may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

### *New or amended legislation*

The Group's business is regulated by and must be conducted in accordance with several laws and regulations, (*inter alia* the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)), the Swedish Land Code (Sw. *jordabalken* (1970:994)), the Swedish Environmental Code (Sw. *miljöbalken* (1998:808)) and the Swedish Planning and Building Act (Sw. *plan- och bygglagen* (2010:900)), detailed development plans, building standards and security regulations, and there is a risk that the Group's interpretation of applicable laws and regulations may be incorrect or may change in the future.

New legislation or regulations or changes regarding the application of existing legislation or regulations, regarding for example building permits or other matters applicable to the Group's operations or its clients or the Notes, may adversely affect the Group's business, possibly with retroactive effect.

### *Possible profit restrictions for companies providing private health care services*

A substantive part of the Group's rental income derives from various types of properties being used as health and medical care facilities by private care providers.

The potential for private care providers to be permitted to engage in publicly funded care services, or the terms and conditions under which such private care providers should be allowed to engage in such activities, are dependent on political decisions at the national, regional and local levels. The issue of publicly funded care services has been the subject of extensive investigations and political discussions in recent times and the Swedish government has published two interim reports, SOU 2016:78 (Sw. *Ordning och reda i välfärden*) and SOU 2017:38 (Sw. *Kvalitet i välfärden – bättre upphandling och uppföljning*), which were presented in November 2016 and May 2017, respectively. The interim reports propose, among other things, that any surplus is reinvested in the business of private care providers and that certain limitations in the operating profit for legal entities that engage in certain publicly funded care services are implemented.

If the above limitations were to enter into force as proposed by the interim reports there is a risk that the Group's earnings and financial positions would be negatively affected and in turn the Issuer's possibility to perform its obligations under the Notes.

### *Taxation risks*

No tax due diligence has been conducted in respect of the Group. In the event that the historical tax position would be challenged this could lead to additional tax costs for the Group, which could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

In the event that the Group's interpretation of tax laws, treaties and regulations or their applicability is incorrect, if a governmental authority successfully makes negative tax adjustments with regard to an entity of the Group or if the applicable laws, treaties, regulations or governmental interpretations thereof or administrative practice in relation thereto change, including with retroactive effect, the Group's past or current tax positions may be challenged. In the event tax authorities were to succeed with such claims, this could result in an increased tax cost, including tax surcharges and interest which could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

Since the laws, treaties and other regulations on taxation, as well as other financial charges, have historically been subject to frequent changes, further changes are expected in the future, possibly with retroactive effect.

A change in the current tax legislation could result in the Group facing an increased tax burden which could affect its result and financial position.

On 30 March 2017, the Swedish government presented a law proposal (SOU 2017:27) that, if enacted, is likely to affect the future taxation of real estate investments. The proposal relates to changes of the current income tax as well as stamp duty rules and capital gains tax, proposed to enter into force on 1 July 2018. The law proposal has been sent to consultation bodies for statements during the summer of 2017. These statements are currently being analysed by the Swedish government before the legislative process can proceed. The proposal includes, *inter alia*, that the deferred tax liability related to the difference between tax residual value and market value on properties will be triggered upon a change of control of a real estate owning company and that indirect sales of properties would be subject to stamp duty. If the law proposal would be implemented in its current wordings, this could imply tax payable upon all of the Group's future disposals of property owning companies. Depending on the difference between fair market value and tax residual value of the properties held by the Group, this could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

On 20 June 2017, a memorandum, proposing new interest deduction limitation rules regarding both internal and external interests, was published by the Swedish government. The proposal contains two alternatives. A general limitation of interest deductions in the corporate sector is firstly proposed as an EBIT rule, where the cap for a deduction of net interest expenses is calculated as 35 per cent. of tax EBIT and, secondarily, as an EBITDA rule, where the cap for deduction of net interest expenses is calculated as 25 per cent. of tax EBITDA. The rules are proposed to enter into force on 1 July 2018 and are to be applied for the first time in the financial year beginning after 30 June 2018. If the Group's net interest expenses, following any implementation of legislation based on this proposal, represent a substantial portion in relation to its tax EBIT or tax EBITDA, or if any other additional restriction on the deductibility of interest expenses is introduced in Sweden, the Group's tax burden could increase and this could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

As a part of the memorandum published on 20 June 2017, the Swedish government proposes that tax losses carried forward in a company can at a maximum be deducted with 50 per cent. of the company's taxable profit. Losses, which are thus non-deductible, may be carried forward to subsequent years. These limitations are proposed to be in effect only during a certain period of time. As regards the EBIT rule, the limitations are proposed to apply to financial years beginning after 30 June 2018 and before 1 July 2020. As regards the EBITDA rule, the limitations are proposed to apply to financial years beginning after 30 June 2018 and before 1 July 2021. The proposed limitation applies regardless if a company has net interest expenses or not.

#### *Accounting risks*

The Group is affected by current applicable accounting legislation and accounting principles. This means that the Group's accounting, financial reporting and internal control in the future may be affected by and in need of adaption to new accounting principles and or changed application of such legislation. This could entail uncertainty regarding the Group's accounting, financial reporting and internal control and could also affect the Group's reported earnings, balance sheet and equity, which could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

#### *Disputes and litigation*

The Group faces the risk of litigation and other proceedings in relation to its business. The outcome of any litigation may expose the Group to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention. For example, the outcome of litigation and other proceedings may not correspond to the way the outcome is perceived by the market, and the Group's reputation may be impacted in a way which negatively affect its operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

## **Risks related to the Notes**

### *Credit risks*

Investors in the Notes are exposed to credit risk in relation to the Issuer. An investor's possibility to obtain payment in accordance with the Terms and Conditions is therefore dependent on the Issuer's ability to meet its payment obligations. The Issuer's financial position is affected by a number of factors, such as tenants being unable to fulfil their obligations to pay rent. An increase in credit risk may also cause the market to price the Notes with a higher risk premium, which could adversely affect the value of the Notes. Another aspect of the credit risk is that a deteriorating financial position may cause the Issuer's credit rating to decrease, which could negatively affect the possibility for the Issuer to refinance the Notes at maturity.

### *Currency risks*

The Issuer will pay interest and the principal amount of the Notes in SEK (the lawful currency in Sweden). This will incur currency exchange risks if the investor's operations are mainly conducted in a different currency. A currency exchange risk involves a risk for significant currency exchange rate movements, including devaluation and revaluation, as well as the risk for implementation or amendments to existing currency regulations. A strengthening of the investor's base currency compared to the currency in which the placement is denominated decreases the value of the placement for the investor. Governments and authorities can implement currency controls or currency regulations that will have an impact on the currency exchange rate. The result could be that a Noteholder receives a lower rate of return, final payment or nominal amount than expected.

### *Refinancing risk*

The Issuer may eventually be required to refinance certain or all of its outstanding debt, including the Notes. The Issuer's ability to successfully refinance its debt is dependent on its financial condition and the conditions of the capital markets at such time. The Issuer's access to financing sources may not be available on favourable terms, or at all. The Issuer's inability to refinance its debt obligations on favourable terms, or at all, could have a negative impact on the Noteholder's recovery under the Notes.

### *Interest-rate risks*

The value of the Notes will depend on several factors. As the Notes will carry a floating interest rate, one of the most significant factors for their value will be the level of the market interest rates. Investments in the Notes involve a risk that the market value of the Notes may be adversely affected by changes in market interest rates.

### *Unsecured obligations*

The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law. The Noteholders will normally receive payment after any prioritised creditors in the event of the Issuer's liquidation, company reorganisation or bankruptcy. Every investor should be aware that by investing in the Notes, it risks losing the entire, or parts of, its investment in the event of the Issuer's liquidation, bankruptcy or company reorganisation.

### *Financing, structural subordination and priority rights*

The Group has, as part of its financing, incurred debts to credit institutions and other lenders. Certain real estate and share certificates in the Issuer's real estate owning subsidiaries as well as certain intra-group loans have in connection therewith been pledged as security. Such secured loans normally constitute a preferential claim on the Issuer. The Issuer intends to continue seeking appropriate and profitable financing

in which case further pledges, as part of such new loans, may be provided. Group Companies have obtained, and may in the future obtain, loans from their shareholders, which loans may be pledged in favour of other creditors of such shareholders.

In addition, the Issuer may retain, provide or renew security over certain of its current or future assets to secure, *inter alia*, bank loans, either via the Issuer itself or any other Group Company, with security interests normally constituting a preferential claim on the borrower. In addition, certain of the Group's operating companies may enter into financing arrangements which are guaranteed by the Issuer. No present or future shareholder or subsidiary of the Issuer will guarantee the Issuer's obligations under the Notes.

The incurrence of new debt or provision of additional security could have a negative impact on the Noteholder's recovery under the Notes.

#### *Insolvency of subsidiaries*

The Terms and Conditions allow the Issuer and subsidiaries of the Issuer to incur debt if certain covenants are met. If the subsidiaries incur debt, the right to payment under the Notes will be structurally subordinated to the right of payment relating to debt incurred by subsidiaries of the Issuer, which could have a negative impact on the Noteholder's recovery under the Notes.

#### *Voluntary early redemption*

In certain cases, the Issuer has pursuant to the Terms and Conditions a right to redeem the Notes prior to the Final Maturity Date. The Issuer has reserved the possibility to, under certain circumstances, redeem all outstanding Notes during the period from the date falling ninety (90) days before the Final Maturity Date.

Such a right for the Issuer could affect the market value of the Notes. During a period when the Issuer is entitled to voluntarily redeem the Notes, the market value of the Notes will most likely not be significantly higher than the redemption price set out in the Terms and Conditions. Such effects could also arise prior to the actual redemption period.

The Issuer could exercise its right to early redemption of the Notes when the market value of the Notes is higher than the relevant redemption price, which could affect the investor's possibilities to re-invest the repaid amount on the same terms as the terms of the redeemed Notes. The investor should thus contemplate the risks involved in a voluntary early redemption or for that matter, the absence of an expected voluntary redemption, in light of alternative investment options available.

#### *Mandatory early redemption and put options*

Upon the occurrence of an event of default, the Issuer is obliged under the Terms and Conditions to mandatorily redeem the Notes at a price and on the terms set out in the Terms and Conditions. The Notes are also subject to prepayment at the option of each noteholder (put options) in the event (i) the Issuer fails to list the Notes on Nasdaq Stockholm or another regulated market within sixty (60) days from the first issue date of the Notes, or, if the Notes, once admitted to trading, cease to be listed thereon, (ii) a change of control in the Issuer occurs or (iii) following a listing of the Issuer's shares, the shares cease to be listed on such market or trading in the Issuer's shares is suspended for a certain period. If this occurs, the Issuer will be exposed to an increased liquidity risk, i.e. the risk that the Issuer cannot fulfil its financial obligations due to a shortage of available cash or cash equivalent assets and that such financial obligations can only be fulfilled at a high financing cost or, in a worst case scenario, not at all.

#### *Listing risk*

The Issuer has undertaken to list the Notes on the corporate bond list of Nasdaq Stockholm (or, if such admission to trading is not possible to obtain or maintain, apply for listing of the Notes on another regulated market) within twelve (12) months after the first issue date of the Notes. It is further the Issuer's intention

to list the Notes on the relevant regulated market within thirty (30) days after the first issue date of the Notes, and each noteholder will have a right of prepayment (put option) of its Notes if the Notes have not been listed within sixty (60) calendar days after such issue date. Consequently, the Issuer intends to apply for listing of the Notes on Nasdaq Stockholm. However, there is a risk that the Notes will not be admitted to trading on the relevant market place within the intended time frames or at all. If the Issuer fails to procure listing in time, investors holding Notes on an investment savings account (Sw. *ISK or IS-konto*) will no longer be able to hold the Notes on such account, thus affecting such investor's tax situation.

#### *Secondary market and liquidity risk*

If the Notes are admitted to trading, there may be a lack of demand for, and trade in, the Notes and the Issuer cannot assure that a liquid trading of the Notes will occur and/or be maintained. It should also be noted that during a given time period it may be difficult or impossible to sell the Notes (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. This can result in investors being unable to sell their Notes at a desired time or to a return which is comparable to similar investments that have an existing and functioning secondary market. A lack of an efficient market place and a liquid secondary market may adversely affect the market value of the Notes. Furthermore, the nominal value of the Notes may not be indicative compared to the market price of the Notes if they are admitted for trading.

#### *Euroclear Sweden*

The Notes are connected to Euroclear Sweden's account-based system, which means that no physical Notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of the principal amount of the Notes, will be performed within Euroclear Sweden's account-based system. The investors are therefore dependent on the functionality of Euroclear Sweden's account-based system. If, due to any obstacle for Euroclear Sweden, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Consequently, there is a risk that Noteholders receive payment under the Notes later than expected.

#### *Meeting of Noteholders*

The Terms and Conditions include certain conditions regarding the meeting of Noteholders. Such meetings may be held in order to resolve matters relating to, for example, the Noteholders' interests under the Notes. The Terms and Conditions allow for stated majorities to bind all Noteholders, including Noteholders who have not participated in or voted at the actual meeting in question or who have voted differently than the required majority, to decisions that have been taken at a duly convened and conducted Noteholders' meeting. Consequently, there is a risk that a Noteholder is bound by resolutions which negatively affect the value of the Notes even if the certain Noteholder did not vote in favour of such resolutions or did not participate in the meeting of Noteholders.

#### *Noteholders representation*

In accordance with the Terms and Conditions, the Agent represents all Noteholders in all matters relating to the Notes. Consequently, a Noteholder is not entitled to bring any actions against the Issuer relating to the Notes, unless such actions are supported by the required majority pursuant to the Terms and Conditions, and a Noteholder's means to safeguard its interests with regards to the Notes may therefore be limited.

However, this does not rule out the possibility that a Noteholder, in certain situations, could bring their own action against the Issuer, which may affect an acceleration of the Notes or other actions against the Issuer negatively. For example, a Noteholder may file for the Issuer's bankruptcy. Consequently, there is a risk that a Noteholder brings actions against the Issuer which are not in the interests of some or all of the other Noteholders and which could have a negative impact on the market value of the Notes.

To enable the Agent to represent the Noteholders in court, the Noteholders may have to submit written powers of attorney for legal proceedings. If such power of attorney should not be submitted by all Noteholders, the enforcement of the Notes could be adversely affected. Under the Terms and Conditions, the Agent has the right in some cases to make decisions and take measures that bind all Noteholders. Consequently, there is a risk that a Noteholder is bound by decisions that could have a negative impact on the market value of the Notes.

#### *Restrictions on the transferability of the Notes*

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

#### *Conflicts of interest of the Arrangers*

Swedbank AB (publ) and Pareto Securities AB (jointly referred to as the “**Arrangers**”) may have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and/or the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Arrangers having previously engaged, or in relation to future engagements, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

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

The Issuer is required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Notes. Events beyond the Issuer's control, including changes in the economic and business conditions in which the Issuer operates, may affect the Issuer'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, which could lead to an acceleration of the Notes, resulting in the Issuer having to repay the Noteholders. There is a risk that the Issuer will not have sufficient funds to make the required redemption of Notes at the time of the repayment.

#### *Changes in legislation*

The Terms and Conditions are based on Swedish law applicable at the date hereof. There is a risk that future amendments of legislation or new legislation or administrative practice, for example as described above in the risk factor “*New or amended legislation*”, could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

## **STATEMENT OF RESPONSIBILITY**

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The Company issued the Notes on 15 December 2017 based on a resolution taken by the board of directors of the Company on 28 November 2017. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Notes on the corporate bond list of Nasdaq Stockholm, in accordance with the Prospectus Regulation 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 facts and contain no omissions likely to affect its import. 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 12 January 2018

**OFFENTLIGA HUS I NORDEN AB (PUBL)**

*The Board of Directors*

## THE NOTES IN BRIEF

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*The following summary contains basic information about the Notes. The summary is not intended to be complete and it is subject to important limitations and exceptions. For a more complete understanding of the Notes, including certain definitions of terms used in this summary, see “Terms and Conditions of the Notes”.*

|                              |   |
|------------------------------|---|
| <b>Issuer:</b>               | Offentliga Hus i Norden AB (publ), a public limited liability company incorporated under the laws of Sweden under Reg. No. 556824-2696.   |
| <b>Notes:</b>                | Debt instruments (Sw. <i>skuldförbindelser</i> ), for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act and which are governed by and issued under the Terms and Conditions, including the Initial Notes and any Subsequent Notes.  |
| <b>ISIN:</b>                 | SE0010023259.   |
| <b>Listing:</b>              | The Issuer intends to list the Initial Notes on the corporate bond list of Nasdaq Stockholm within thirty (30) days from the First Issue Date, and shall ensure (i) that the Initial Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months after the First Issue Date, (ii) that the Notes, 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 Notes in close connection to the redemption of the Notes and taking into account that if the Notes are listed on another Regulated Market than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm) and (iii) that, upon any Subsequent Notes issue, the volume of Notes listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market, as applicable) promptly, and not later than ten (10) Business Days after the relevant issue date, is increased accordingly. |
| <b>Nominal amount:</b>       | The nominal amount of each Note is SEK 1,000,000.   |
| <b>Total nominal amount:</b> | The maximum total Nominal Amount of the Notes may not exceed SEK 700,000,000.   |
| <b>First Issue Date:</b>     | 15 December 2017. The maximum aggregate nominal amount of the Notes as of the First Issue Date is SEK 400,000,000.  |
| <b>Final Maturity Date:</b>  | 15 June 2021 (three and a half (3.5) years after the First Issue Date), at which date the Notes shall be redeemed with an amount per Note equal to the Nominal Amount.  |

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| <b>Denomination:</b>   | The Notes are denominated in Swedish kronor (SEK).  |
| <b>Status of the Notes:</b>                                    | The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among them and at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law. The Notes are freely transferable.   |
| <b>Interest:</b>   | <p>Three (3) month STIBOR (STIBOR floor at 0 per cent.) plus 7.00 per cent. per annum, with quarterly interest payments in arrears. Interest Period means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant). Any Subsequent Notes will carry Interest at the Interest Rate (i) from, but excluding the Interest Payment Date falling immediately prior to their issuance to (and including) the next succeeding Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).</p> <p>Interest Payment Date means 15 March, 15 June, 15 September and 15 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 15 March 2018 and the last Interest Payment Date shall be the Final Maturity Date (or any final Redemption Date prior thereto).</p> <p>For a historic development of STIBOR, please see (<a href="http://www.riksbank.se/en/interest-and-exchange-rates/search-interest-rates-exchange-rates/">www.riksbank.se/en/interest-and-exchange-rates/search-interest-rates-exchange-rates/</a>).</p> |
| <b>Early redemption by the Noteholders (put option):</b>       | Upon the occurrence of a Change of Control Event, a Listing Failure or a De-listing Event, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to one hundred and one (101) per cent. of the Nominal Amount together with accrued but unpaid Interest.  |
| <b>Voluntary total redemption by the Issuer (call option):</b> | <p>The Issuer may redeem all, but not some only, of the outstanding Notes in full on any Business Day falling within the period starting one (1) year before the Final Maturity Date up to but excluding the date falling ninety (90) days before the Final Maturity Date. The Notes shall be redeemed at an amount per Note equal to one hundred and three and a half (103.50) per cent. of the Nominal Amount together with accrued but unpaid Interest.</p> <p>The Issuer may redeem all, but not some only, of the outstanding Notes in full on any Business Day falling within the period starting ninety (90) days before the Final Maturity Date up to but excluding the Final Maturity Date. The Notes shall be redeemed at an amount per Note equal to one hundred and one (101)</p>   |

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per cent. of the Nominal Amount or, provided that such early redemption is financed in full by way of the Issuer issuing Market Loan(s) in which the Noteholders shall have the possibility to participate by way of roll-over (however subject to the Issuer's decision on allocation), one hundred (100) per cent. of the Nominal Amount together with accrued but unpaid Interest.

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**Yield:** The yield of the Notes is a function of the price for which the Notes have been acquired, the interest rate applicable to the Notes together with any brokerage fees or other cost relating to the acquisition of the Notes.

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**Agent:** Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden, or another party replacing it as agent, in accordance with the Terms and Conditions.

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**Issuing Agent:** Swedbank AB (publ), Reg. No. 502017-7753, SE-105 34 Stockholm, Sweden, or another party replacing it, as Issuing Agent, in accordance with the Terms and Conditions.

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**Notes in book-entry form:** The Notes are registered for the Noteholders on their respective Securities Accounts and no physical notes are issued. Accordingly, the Notes are registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.

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**Jurisdiction:** The 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.

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

The Notes have been issued in accordance with applicable provisions of the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) and the Financial Instruments Trading Act (Sw. lagen (1991:980) om handel med finansiella instrument).

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**Costs:** The Issuer shall cover all expenses relating to the listing of the Notes, including, *inter alia*, expenses attributable to the execution of the Prospectus, the listing process of Nasdaq Stockholm, documentation and fees to Euroclear Sweden. The total expenses of the aforementioned actions are estimated to amount to SEK 350 000.

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**Prescription:** The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed 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 Noteholders' right to receive payment has been prescribed and has become void.

**Advisers:**

Advokatfirman Glimstedt Stockholm KB, Reg. No. 969734-9604, has acted as legal counsel to the Company and Pareto and Swedbank have has acted as arrangers in connection with the issue of the Notes.

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## INFORMATION REGARDING OFFENTLIGA HUS

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### Introduction

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

#### BASIC INFORMATION REGARDING OFFENTLIGA HUS

|                               |   |
|-------------------------------|---|
| Legal form                    | Public limited liability company  |
| Corporate registration number | 556824-2696   |
| Incorporated                  | On 8 November 2010  |
| Head office                   | Municipality of Stockholm   |
| Address                       | Nybrogatan 3, 114 34 Stockholm, Sweden  |
| Visitors address              | Nybrogatan 3, 114 34 Stockholm, Sweden  |
| Phone number                  | +46 (0)708 - 97 44 09   |
| Company/trade name            | Offentliga Hus i Norden AB (publ) (registered on 31 October 2017)   |
| Operational objective         | The company shall manage and conduct business with real property, along with activities related to such operations. |

### Business overview

The Group consists of 39 companies including Offentliga Hus. The Company has a property portfolio with 90 Properties in 37 Swedish municipalities. The properties are primarily located in Västra Götaland, Värmland, Skåne, Uppland and on Gotland. On 7 October 2017 the Company acquired NSH ( Nordiska Student Hem / Hus ) Holding AB, Reg. No. 559017-4073, with a property portfolio consisting of 75 properties. The Company acquired another 161 properties on 15 December 2017 from the Swedish government-owned Svevia AB. One additional property was acquired on 21 December 2017 from U & P Fastighetskonsult AB.

#### *Business concept*

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

#### *Business operations*

The Company's property portfolio consists of retirement homes, schools, county council buildings, student flats, healthcare centres, residential care homes, day centres, theatres, etc. The properties are located in college and university towns with increasing population. The value of the property portfolio is approximately MSEK 2,300<sup>1</sup>. The Company actively works with digitalisation and CSR.

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<sup>1</sup> The source for information is Aktiebolaget Fastator's (publ) quarterly report for Q3. The properties are valued at fair value. The information in the quarterly report has not been audited by Aktiebolaget Fastator's (publ) accountants.

## *Business goals*

The Company aims to be the top of mind partner and landlord for municipalities, county councils and The Swedish government and to have a stable cash flow from low credit risk tenants. To increase the profits over time the Company is focusing on providing excellent service to the tenants in order to keep a high retention rate, also focusing on controlling/lowering financial and property related costs. The Company focuses on sustainability by monitoring consumption and investing in new more effective installations with lower consumption.

## **Organisational structure**

The Company has two senior executives, Lars Holm as CEO and Niklas Eklund as CFO. The CEO and the CFO are responsible for the Company's ongoing management and operation. The CFO reports to the CEO and the CEO reports to the board of directors. The division of duties between the board of directors and the CEO is set out in the rules of procedure for the board of directors and instructions for the CEO.

The CEO and the CFO are required to manage the operations in accordance with the board of directors' guidelines and instructions and to provide the board of directors information necessary for decision support. The CEO reports at board meetings and ensures that the board of directors continuously receives information required for monitoring the Company's financial position, earnings, liquidity and performance.

The Company's primary support functions are outsourced and include accounting, marketing, IT and property management. Lars Holm and Niklas Eklund are the Company's only employees, as all administrative services are purchased from OH Management AB, Reg. No. 556969-0562, and Nordic PM AB, Reg. No. 556970-9727 (for a more detailed description of terms the agreements, please refer to the section titled "*Material Agreements*" below).

## **Corporate governance**

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.

## *Board of directors*

According to the Company's articles of association, the board of directors should consist of at least one and not more than ten members, with a maximum of ten deputies. The board of directors currently consists of five (5) board members, and no deputy board member. The board members, with the exception of Jacqueline Winberg, were elected by the Annual General Meeting on 16 June 2017 for the period until the end of the 2018 Annual General Meeting. Information on the members of the board of directors, including significant assignments outside the Company which are relevant for the Company, is set forth below.

### **MATS HULTH (1946)**

Board assignments for the Company: Board member and Chairman of the Board and since 2010.

Holding in the Company: -

Other current assignments: Board member and chairman of Offentliga Hus i Norden Holding AB. Board member of Bostadsrättsföreningen Kroken 24/7, Restaurang Tennstopet Aktiebolag, Tennstopet Förvaltnings Aktiebolag, AB Mats Thore Axel, Klassiska Krogar i Stockholm AB and Restaurang Kommendören AB.

**ULF ADELSON (1941)**

Board assignments for the Company: Board member since 2011.  
Holding in the Company: -  
Other current assignments: Board member and chairman of Adelson Konsult Aktiebolag, Humle Kapitalförvaltning AB, Italian Path AB and Ekerö Intressenter AB. Board member of Gummesson Gruppen AB, VI Invest Aktiebolag and Offentliga Hus i Norden Holding AB. Deputy board member of Erik Adelson Invest AB.

**PIERRE LADOW (1982)**

Board assignments for the Company: Board member since 2014.  
Holding in the Company: -  
Other current assignments: Board member of OH Management AB, Offentliga Hus i Norden Holding AB and NSH ( Nordiska Student Hem / Hus ) Holding AB.

**SVANTE BENGTSSON (1971)**

Board assignments for the Company: Board member since 2017.  
Holding in the Company: -  
Other current assignments: Board member and chairman of Portvakten Industrifastigheter AB, PVI Hässleholm AB, PVI Hillebarden AB, PVI R8 Höganäs AB, Portvakten Tjörred AB, PVI Eslöv AB, Vivskä AB, OH Management AB, Liveable AB, NSH ( Nordiska Student Hem / Hus ) Holding AB, Portvakten Industrifastigheter Holding AB, Visby Valutan 1 Holding AB, Svensk Stadsutveckling AB, Pinnsvajn Fastigheter Holding AB, Visby Banken 1 Holding AB and Portvakten Mark AB. Board member of Konkret Fastighetsutveckling i Nacka AB, Dawg Invest AB, Offentliga Hus i Norden Holding AB, GenovaFastator Holding AB, KONYAB 1 i Sverige AB, Fastator Venture AB, Fastator PM AB, Public Properties Europe AB, Community Service Properties Sweden AB, Fastator Li3rty AB and Utvecklingsbolaget Sverige Holding AB. Deputy board member of OH Fyllinge AB, Limestone Fastigheter på Gotland AB, OH Lödöse AB, OH Landskrona Fastigheter AB, OH Bunge AB, Aktiebolaget Trygghetsboendet 1 i Värmland, OH Årjäng AB, OH Västervik AB, Dataskyddsombud Sverige AB, OH BAGG AB, OH Nya torg AB, OH Borås AB, OH Karlsvik AB, OH Träffpunkten AB, OH Jungfrun 3 AB, OH Hallsta AB, OH Jungfrun 2 AB, Rehact AB, Studium Fastigheter AB, OHNYAB 17 AB, OHNYAB 18 AB, OHNYAB 29 AB, OHNYAB 30 AB, OHNYAB 28 AB, NSH NY 2 AB, NSH NY1 AB, OHNYAB 20 AB, OHNYAB 21 AB, OHNYAB 22 AB, OHNYAB 23 AB, OHNYAB 24 AB, OHNYAB 25 AB, OHNYAB 26 AB, OHNYAB 27 AB and OHNYAB 19 AB.

**JACQUELINE WINBERG (1959)**

Board assignments for the Company: Board member since 2017.

Holding in the Company: -  
Other current assignments: Board member and CEO of Stanton Chase International AB. Board member of Avanza Bank Holding AB, Aktiebolaget Fastator (publ), Avanza Bank AB, Katod AB and Offentliga Hus i Norden Holding AB.

*Senior executives*

**LARS HOLM (1965)**

Assignment in the Company: CEO since 2017.  
Holding in the Company: -  
Other current assignments: Board member of OH Fyllinge AB, Limestone Fastigheter på Gotland AB, Vivskä AB, OH Lödöse AB, Konkret Fastighetsutveckling i Nacka AB, OH Landskrona Fastigheter AB, OH Bunge AB, Aktiebolaget Trygghetsboendet 1 i Värmland, OH Årjäng AB, OH Västervik AB, OH Management AB, OH BAGG AB, OH Nya torg AB, OH Borås AB, OH Karlsvik AB, OH Träffpunkten AB, OH Jungfrun 3 AB, OH Hallsta AB, OH Jungfrun 2 AB, GenovaFastator Holding AB, NSH ( Nordiska Student Hem / Hus ) Holding AB, Studium Fastigheter AB, OHNYAB 17 AB, OHNYAB 18 AB, OHNYAB 29 AB, OHNYAB 30 AB, OHNYAB 28 AB, NSH NY 2 AB, NSH NY1 AB, OHNYAB 20 AB, OHNYAB 21 AB, OHNYAB 22 AB, OHNYAB 23 AB, OHNYAB 24 AB, OHNYAB 25 AB, OHNYAB 26 AB, OHNYAB 27 AB and OHNYAB 19 AB. Deputy board member of KONYAB 1 i Sverige AB, Fastator Venture AB and Fastator PM AB. CEO of Offentliga Hus i Norden Holding AB.

**NIKLAS EKLUND (1973)**

Assignment in the Company: CFO since 2017.  
Holding in the Company: -  
Other current assignments: -

*Other information about the board of directors and senior executives*

All board members and senior executives can be contacted via the Company's address: Nybrogatan 3, SE-114 34 Stockholm, Sweden. There are no family ties between the board members and senior executives. None of the board members or senior executives stated above have entered into agreements with the Company or any of its subsidiaries regarding benefits upon termination of their assignment. To the Company's knowledge, none of the members of the board of directors or the executive management of the Company have any private interest that may be in conflict with the interests of the Company.

Svante Bengtsson is also CFO of Aktiebolaget Fastator (publ), Reg. No. 556678-6645. Some board members and the members of their families hold shares in Aktiebolaget Fastator (publ). Pierre Ladow has indirect shareholdings in the Company through Cofigelux Sarl, Reg. No. BO 181169.

## Auditor

According to Offentliga Hus's articles of association, the Company is to have one or two auditors, with a maximum of two deputy auditors. At the annual general meeting held on 16 June 2017, Öhrlings PricewaterhouseCoopers AB, with authorised auditor Magnus Thorling (born 1970) as the auditor in charge, and were elected as the Company's auditors to serve until the end of the annual general meeting in 2018. Authorised auditor Magnus Thorling has been the Company's auditor for the entire period covered by the historical financial information in this Prospectus. Magnus Thorling is a member of FAR, the professional institute for the accountancy sector in Sweden. The office address of Öhrlings PricewaterhouseCoopers AB is: Torsgatan 21, SE-113 97, Stockholm, Sweden. Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditor.

## Legal structure

As of the date of this Prospectus, all the shares in the Company are held by Offentliga Hus i Norden Holding AB (publ), Reg. No. 556971-0113. The shareholders in Offentliga Hus i Norden Holding AB are Vivskä AB, Reg. No. 556848-4603, and Cofigelux Sarl, both with 50 per cent. of the share capital and the votes. Vivskä AB is a wholly owned subsidiary of Aktiebolaget Fastator (publ), which is a company listed on Nasdaq First North.

While Offentliga Hus i Norden Holding AB is the parent company of of 39 directly or indirectly owned subsidiaries, Offentliga Hus is the parent company of 38 directly or indirectly owned subsidiaries, as listed below.

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

| COMPANY, CORPORATE REGISTRATION NUMBER,<br>REGISTERED OFFICE             | NUMBER<br>OF SHARES | PARTICIPATIONS<br>(%) |
|--|---------------------|-----------------------|
| <b>Offentliga Hus i Norden Holding AB (publ), 556971-0113, Stockholm</b> | 1 000               | 100                   |
| <b>Offentliga Hus i Norden AB (publ), 556824-2696, Stockholm</b>         | 5 000               | 100                   |
| OH Bunge AB, 556872-0964, Stockholm                                      | 500                 | 100                   |
| OH Lödöse AB, 556852-1560, Stockholm                                     | 1 000               | 100                   |
| Lödösehus 3 KB, 916896-0210, Stockholm                                   | -                   | 100                   |
| Lödösehus 4 KB, 916896-0228, Stockholm                                   | -                   | 100                   |
| Limestone Fastigheter på Gotland AB, 556741-2746, Stockholm              | 100 000             | 100                   |
| OH Fyllinge AB, 556435-6102, Stockholm                                   | 1 000               | 100                   |
| AB Trygghetsboendet 1 i Värmland, 556876-2537, Stockholm                 | 500                 | 100                   |
| OH Årjäng AB, 556892-6041, Stockholm                                     | 50 000              | 100                   |
| OH Landskrona Fastigheter AB, 556872-0956, Stockholm                     | 500                 | 100                   |
| OH Bagg AB, 556981-3974, Stockholm                                       | 500                 | 100                   |
| OH Borås AB, 556982-9632, Stockholm                                      | 500                 | 100                   |
| KB Fastigheten Liljedal, 969622-2760, Borås                              | -                   | 100                   |
| KB Fjolner 21, 969621-9501, Ulricehamn                                   | -                   | 100                   |
| KB Grönfinken 1, 969621-5954, Borås                                      | -                   | 100                   |
| OH Nya Torg AB, 556981-3982, Stockholm                                   | 500                 | 100                   |
| OH Karlsvik AB, 556983-1349, Stockholm                                   | 500                 | 100                   |
| OH Träffpunkten AB, 556993-3418, Stockholm                               | 1 000               | 100                   |
| OH Jungfrun 3 AB, 556993-3434, Stockholm                                 | 1 000               | 100                   |
| OH Jungfrun 2 AB, 559004-1785, Stockholm                                 | 1 000               | 100                   |
| OH Hallsta AB, 559004-1702, Stockholm                                    | 1 000               | 100                   |

|  |        |     |
|--|--------|-----|
| OHNYAB 17 AB, 559075-5129, Stockholm   | 1 000  | 100 |
| OHNYAB 18 AB, 559075-5137, Stockholm   | 1 000  | 100 |
| OHNYAB 19 AB, 559090-0055, Stockholm   | 50 000 | 100 |
| OHNYAB 20 AB, 559089-7905, Stockholm   | 50 000 | 100 |
| OHNYAB 21 AB, 559089-7913, Stockholm   | 50 000 | 100 |
| OHNYAB 22 AB, 559089-7921, Stockholm   | 50 000 | 100 |
| OHNYAB 23 AB, 559089-7939, Stockholm   | 50 000 | 100 |
| OHNYAB 24 AB, 559089-7947, Stockholm   | 50 000 | 100 |
| OHNYAB 25 AB, 559089-7954, Stockholm   | 50 000 | 100 |
| OHNYAB 26 AB, 559089-7962, Stockholm   | 50 000 | 100 |
| OHNYAB 27 AB, 559089-7970, Stockholm   | 50 000 | 100 |
| OHNYAB 28 AB, 559087-6628, Stockholm   | 50 000 | 100 |
| OHNYAB 29 AB, 559082-7803, Stockholm   | 50 000 | 100 |
| OHNYAB 30 AB, 559082-7811, Stockholm   | 50 000 | 100 |
| NSH ( Nordiska Student Hem / Hus ) Holding AB, 559017-4073, Stockholm <sup>1</sup> | 1 000  | 100 |
| NSH NY1 AB, 559087-6719, Stockholm   | 50 000 | 100 |
| NSH NY 2 AB, 559087-6701, Stockholm  | 50 000 | 100 |
| Studium Fastigheter AB, 559060-0085, Karlshamn                                     | 500    | 100 |

### Share capital, shares and ownership structure

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 no more than 20,000 shares. The Company's current share capital amounts to SEK 500,000 divided among 5,000 shares. The shares are denominated in SEK.

As of the date of this Prospectus, all the shares in the Company are held by Offentliga Hus i Norden Holding AB (publ). The shareholders in Offentliga Hus i Norden Holding AB are Vivskä AB with 50 per cent. of the share capital and the votes and Cofigelux Sarl with 50 per cent. of the share capital and the votes. 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 CEO adopted by the Company.

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<sup>1</sup> The shares in NSH ( Nordiska Student Hem / Hus ) Holding AB were acquired on 7 October 2017 from Offentliga Hus i Norden Holding AB (publ).

## **FINANCIAL INFORMATION**

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### **Historical financial information**

The Company's consolidated financial statements for the financial years ended 31 December 2015 and 31 December 2016 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the interpretations provided by the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the EU. The annual reports of the Company have been audited. Other than the auditing of the Company's annual reports, the Company's accountants have not audited or reviewed any part of this Prospectus. The Company's consolidated income statement, balance sheet, cash flow statement, statement of changes in equity and audit report for 2016 can be found in its annual report for 2016 on the following pages:

- consolidated income statement, page 18;
- consolidated balance sheet, page 19;
- consolidated statement of changes in equity, page 20;
- consolidated cash flow statement, page 21;
- the audit report, pages 44-45; and
- the notes, pages 27-42.

The Company's consolidated income statement, balance sheet, cash flow statement, statement of changes in equity and audit report for 2015 can be found in its annual report for 2015 on the following pages:

- consolidated income statement, page 13;
- consolidated balance sheet, page 14;
- consolidated statement of changes in equity, page 15;
- consolidated cash flow statement, page 16;
- the audit report, page 41; and
- the notes, pages 22-39.

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

On 7 October 2017 the Company acquired NSH ( Nordiska Student Hem / Hus ) Holding AB with a property portfolio consisting of 75 properties. On 16 October 2017, an extraordinary general meeting of Offentliga Hus resolved to change category of Offentliga Hus from private to public. On 15 December 2017 Offentliga Hus entered into a transfer agreement with the Swedish government-owned Svevia AB to acquire 161 properties in Sweden. The acquisition is to be completed in March 2018 at the earliest. Apart from the mentioned, there has not been any significant changes to the financial or trading positions of the Company or the Group, or which may affect the assessment of the solvency of Offentliga Hus, since 31 December 2016.

There has not been any material adverse change in the prospects of the Company or the Group, neither are there any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material adverse change of the prospects, since the latest audited annual accounts were published on 31 December 2016.

## LEGAL CONSIDERATIONS AND OTHER INFORMATION

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### Material agreements

#### *Agency agreement*

Offentliga Hus entered into an agency agreement with the Agent under which the Agent undertakes to secure the interests of the debtors for the Notes. Offentliga Hus has agreed to pay a yearly fee and additional fees for the Agent's participations in Noteholders's meetings (according to the Terms and Conditions), among other activities. The agency agreement expires when there are no outstanding Notes or in case the Agent is replaced in accordance with its terms and conditions. The agency agreement is governed by Swedish law.

#### *Conditional shareholder contributions*

Offentliga Hus i Norden Holding AB has made three (3) conditional shareholder's contributions to the Company amounting to SEK 11,000,000, SEK 19,195,766 and SEK 41,804,234 respectively, all of which have been converted from shareholder loans initially given by Aktiebolaget Fastator (publ), Vivskä AB and Cofigelux Sarl.

#### *Property management agreements*

Aktiebolaget Fastator (publ) has entered into a framework agreement with Nordic PM AB, Reg. No. 556970-9727, ("**Nordic PM**") regarding property management assignments for Fastator's real property. Within the framework of its task and the agreed remuneration, Nordic PM is to provide commercial, financial and technical management and O&M (operations and maintenance) as well as leasing of vacant facilities. The framework agreement also includes functions such as due diligence processes available for Fastator. Upon Fastator's call-off of services, a call-off agreement describing the scope of the assignment is to be entered into with the property owning company, which is a subsidiary to Fastator. The term of an agreement, which includes *inter alia* the framework agreement and the call-off agreement, is to be three (3) years from 1 January 2017 up until and including 31 December 2019, with a notice period of six (6) months and an automatic extension period of one (1) year.

Under the framework agreement described above, the Company has entered into a call-off agreement with Nordic PM pertaining to the management of the Company's real properties, including commercial, financial and technical management and O&M (operations and maintenance) as well as rental of vacant dwellings and non-residential premises in the Company's real properties.

The Issuer has entered into a central administration agreement with OH Management AB, Reg. No. 556969-0562, ("**OH Management**") pertaining to all of the Issuer-owned group companies and their real properties at any given point in time. Under the agreement OH Management is to provide services regarding oversight and administration, including but not limited to accounting, business development and transaction services. The term of the agreement is from 1 October 2017 up until and including 31 December 2018, with a notice period of six (6) months and an automatic extension period of one (1) year.

#### *Shareholders' agreement*

Vivskä AB and Cofigelux Sarl entered into a joint venture agreement/shareholders' agreement on 9 January 2014 in relation to the sale of 50 per cent. of the shares in the Company to Cofigelux Sarl. The parties

agreed to set up a new Swedish joint venture entity, Offentliga Hus i Norden Holding AB equally owned by the parties. Pursuant to the agreement, the parties shall be deemed to be in breach of the agreement if there is a substantial change in the management or if there is a change of control regarding the ownership of either party. The Company is not aware of the details of any provision in the arrangement, the operation of which may at a subsequent date result in a change in control of the Company.

Except for as otherwise stated herein, 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 Noteholders.

### **Disputes**

Offentliga Hus is not, and has not been, party to any legal proceedings or arbitrations that have or have had a material adverse effect on the Company's or the Group's financial position or profitability during the previous financial year. Nor is the Company aware of any legal proceedings or arbitrations that might arise and which could have a material adverse effect on the Company's or the Group's financial position or profitability.

### **Certain material interests**

Swedbank and Pareto have acted as arrangers in connection with the issue of the Notes, for which Swedbank and Pareto have received remuneration. Swedbank and Pareto may have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and/or the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Arrangers having previously engaged, or in relation to future engagements, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Except for Swedbank and Pareto, there are no other, private or legal persons involved in the issuing of the Notes who have any economic or other interest of importance to the Note Issue.

### **Documents incorporated by reference**

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

The Company's consolidated audited annual report for 2016

- consolidated income statement, page 6;
- consolidated balance sheet, page 7;
- consolidated statement of changes in equity, page 8;
- consolidated cash flow statement, page 9;
- the audit report, pages 32-33; and
- the notes, pages 15-30.

The Company's consolidated audited annual report for 2015

- consolidated income statement, page 13;
- consolidated balance sheet, page 14;

- consolidated statement of changes in equity, page 15;
- consolidated cash flow statement, page 16;
- the audit report, page 41; and
- the notes, pages 22-39.

Historical information for 2015 and 2016, except for financial information of the Group referred to above, is deemed less important for the description and understanding of the Company and hence, only the relevant information in the Group's consolidated audited annual reports for 2015 and 2016 has been incorporated by reference in the Prospectus.

### **Documents available for inspection**

Throughout the validity period of this Prospectus the following documents are available in electronic form on the Company's website ([www.offentligahus.se](http://www.offentligahus.se)). Copies of the documents are also available at the Company's head office at Nybrogatan 3, SE-114 34 Stockholm, on weekdays during normal business hours, and may be ordered from the Company at the same address:

- the Company's articles of association and memorandum of association;
- the Company's consolidated audited annual report and audit report for 2015 and 2016;
- Annual reports for Group Companies for 2015 and 2016;
- this Prospectus; and
- the "Agency agreement" (see further section *Legal considerations and other information – Material agreements*).

# TERMS AND CONDITIONS OF THE NOTES

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TERMS AND CONDITIONS FOR OFFENTLIGA HUS I NORDEN AB (PUBL) UP TO SEK 700,000,000 SENIOR UNSECURED FLOATING RATE NOTES, ISIN: SE0010023259.

## 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 Noteholder has opened a Securities Account in respect of its Notes.

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

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

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

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

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

“**Business Day**” means a day in Sweden other than a Saturday or Sunday or other public holiday. 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.

“**Cash**” means immediately available funds in bank or postal accounts.

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

“**Change of Control Event**” means the occurrence of an event or series of events following the First Issue Date whereby any person or group of persons (other than the Ultimate Owners) acting

in concert, (i) becomes the owner, directly or indirectly, and has the right to vote as it sees fit for, more than fifty (50) per cent. of the total number of shares or votes in the Issuer, or (ii) has the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, substantially in the form set out in Schedule 3 (*Form of Compliance Certificate*), and reasonably satisfactory to the Agent.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Sweden AB, Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Notes from time to time.

“**De-listing Event**” means, following an Initial Public Offering, the occurrence of an event or series of events whereby (i) the shares of the Issuer listed on the relevant Regulated Market or recognised unregulated market place cease to be listed on such market or (ii) trading in the shares in the Issuer on the relevant market is suspended for a period of fifteen (15) consecutive Business Days.

“**Event of Default**” means an event or circumstance specified in Clause 12 (*Events of Default*).

“**Equity Ratio**” means, at any time, the Total Equity of the Group as a percentage of the aggregate value of the Total Assets (in each case according to the latest Financial Report and calculated in accordance with the Accounting Principles).

“**Existing Loans**” means the MSEK 28.7 loan from Aeriance Investments Sarl, trade registry B138867, to the Issuer, pursuant to a loan agreement dated 13 November 2015 (the “**First Existing Loan**”); the MSEK 57.7 loan from Offentliga Hus i Norden Holding AB, Reg. No. 556971-0113, to NSH Holding AB, Reg. No. 559017-4073, pursuant to a loan agreement dated 13 July 2016 (the “**Second Existing Loan**”); the MSEK 8.6 loan from Offentliga Hus i Norden Holding AB to NSH Holding AB, pursuant to a loan agreement dated 13 July 2016 (the “**Third Existing Loan**”).

“**Final Maturity Date**” means 15 June 2021, the date falling three and a half (3.5) years after the First Issue Date.

“**Finance Costs**” means, for any Test Period, the aggregate amount of interest costs, commission, fees, discounts, premiums or charges in respect of borrowings whether paid or accrued by the Group, including all payments relating to the realised net effect of any interest rate hedges but excluding the unrealised effect of any interest rate hedges, fees paid to the Agent pursuant to the terms of these Terms and Conditions or the Agency Agreement and any unrealised or realised losses pursuant to foreign exchange transactions.

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

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing);

- (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 First 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 First Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument (including Market Loans);
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) without double-counting liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the quarterly interim unaudited consolidated reports of the Group or the Issuer’s year-end report (Sw. *bokslutskommuniké*) which shall be prepared and made available in accordance with items (a), (b) and (c) set forth in Clause 10.1.

“**Financial Year**” means the annual accounting period of the Issuer.

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

“**Force Majeure Event**” has the meaning set forth in Clause 25 (*Force Majeure and Limitation of Liability*).

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

“**Initial Notes**” means the Notes issued on the First Issue Date in the total amount of SEK 400,000,000.

“**Initial Public Offering**” means an initial public offering of the Issuer’s common shares on Nasdaq Stockholm or Nasdaq First North.

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

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

“**Interest Coverage Ratio**” means the ratio of Management Profit to Total Financial Items.

“**Interest Payment Date**” means 15 March, 15 June, 15 September and 15 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 15 March 2018 and the last Interest Payment Date shall be the Final Maturity Date (or any final Redemption Date prior thereto).

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant). Any Subsequent Notes will carry Interest at the Interest Rate (i) from, but excluding the Interest Payment Date falling immediately prior to their issuance to, and including, the next succeeding Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means the three (3) month STIBOR (STIBOR floor at 0 per cent.) plus 7.00 per cent. *per annum*, with quarterly interest payments in arrears.

“**Issuer**” means Offentliga Hus i Norden AB (publ), a public limited liability company incorporated under the laws of Sweden under Reg. No. 556824-2696.

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

“**Listing Failure**” means the situation where:

- (a) the Initial Notes have not been listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) within sixty (60) calendar days after the First Issue Date; or
- (b) at any time after such listing, the Notes cease to be listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market, as applicable, save that if the Notes are listed on another Regulated Market than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm).

“**Loan to Value**” means, at any time, expressed as a percentage, the ratio of:

- (a) the outstanding Financial Indebtedness (excluding guarantees and similar arrangements as well as any loans within the Group and Subordinated Shareholder Debt, if any) less Cash and cash equivalent investments; to
- (b) the aggregate market value of the Properties as set out in the latest valuations delivered under these Terms and Conditions, or, when a Property has been newly acquired and up until a valuation is made in accordance with these Terms and Conditions, the purchase price for such Property.

“**Management Profit**” means the Group’s consolidated management profit (Sw. *förvaltningsresultat*) according to the latest consolidated Financial Report.

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

“**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 obligations under these Terms and Conditions or (iii) the validity or enforceability of these Terms and Conditions.

“**Nasdaq First North**” means the Multilateral Trading Facility of Nasdaq First North, operated by Nasdaq Stockholm AB.

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

“**Net Proceeds**” means the proceeds from the Notes issue which, after deduction has been made for the Transaction Costs payable by the Issuer in connection with issuance of the Notes, shall be transferred to the Issuer and used in accordance with the purpose of the Notes issue.

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

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

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

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

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

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

“**Quotation Day**” means, in relation to (i) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the First Issue Date), or (ii) any other period for which an Interest Rate is to be determined, two (2) Business Days before the first day of that period (*i.e.*, the day that period commences, even if no interest accrues on such day).

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 14 (*Distribution of proceeds*), (iv) the date of a Noteholders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

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

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

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

“**STIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period;
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four (4) decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. on the Quotation Date; or
- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four (4) decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Subordinated Shareholder Debt**” means all loans provided to the Issuer by the Issuer’s direct and indirect shareholders and which have been effectively subordinated to the rights of the Agent and the Noteholders under the Finance Documents.

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

“**Subsidiary**” means each of the Issuer’s direct and indirect subsidiaries as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*), from time to time.

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

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

“**Test Period**” means each period of twelve (12) months (on a rolling basis) ending on each Test Date.

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

“**Total Equity**” means, at any time, the sum of the total equity of the Group (including Subordinated Shareholder Debt, if any) calculated on a consolidated basis, in each case according to the latest Financial Report and in accordance with the Accounting Principles.

“**Total Financial Items**” means the Group’s consolidated total financial items (Sw. *finansnetto*) according to the latest consolidated Financial Report, excluding interest on Subordinated Shareholder Debt (if any).

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

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with the issuance of the Initial Notes or any Subsequent Notes.

“**Ultimate Owners**” means Aktiebolaget Fastator (publ), Reg. No. 556678-6645, Cofigelux Sarl, Reg. No. B181169 and their Affiliates.

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

## 1.2 Construction

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

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

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

1.2.3 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (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 Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

1.2.6 For the purpose of the definition Change of Control Event, “acting in concert” means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer.

## 2. STATUS OF THE NOTES

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The nominal amount of each Note is SEK 1,000,000 (the “**Nominal Amount**”). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.4 Provided that (i) no Event of Default is continuing or would result from the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing or from the issue of the Subsequent Notes; and (ii) none of the Financial Covenants would be breached as a result of the issue (tested pro forma including such issue), the Issuer may, at one or several occasions, issue Subsequent Notes. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the redemption date applicable to the Initial Notes shall apply to Subsequent Notes. The price of each of the Subsequent Notes may be set to par, at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 700,000,000 unless consent from the Noteholders is obtained in accordance with Clause 15.7(a). Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Notes.
- 2.5 The Notes constitute direct, general unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

## 3. USE OF PROCEEDS

The Issuer shall apply the Net Proceeds from the issue of the Notes towards property acquisitions and other general corporate purposes.

## 4. CONDITIONS FOR SETTLEMENT OF THE NOTES

- 4.1 The Issuer shall provide to the Agent, no later than four (4) Business Days prior to the First Issue Date, the documents and other evidence set out in Schedule 1 (*Conditions Precedent for Settlement of Initial Notes*).

- 4.2 The Issuer shall provide to the Agent, no later than four (4) Business Days prior to the issue date of any Subsequent Notes, the documents and other evidence set out in Schedule 2 (*Conditions Precedent for Settlement of Subsequent Notes*).
- 4.3 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 or 4.2 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not review the documents and evidence referred to above from a legal or commercial perspective of the Noteholders.
- 4.4 The Agent shall, upon request by the Issuing Agent, immediately confirm in writing to the Issuing Agent when the conditions in Clause 4.1 or 4.2, as the case may be, have been fulfilled to the satisfaction of the Agent, after which the Issuing Agent shall procure the settlement of the Initial Notes and transfer the proceeds to an account as instructed by the Issuer.

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

- 5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.
- 5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.3 The Issuer (and the Agent 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 Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 5.4 For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.
- 5.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 5.6 The Issuer and the Agent may use the information referred to in 5.3 and 5.4 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

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

- 6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.

6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.

6.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

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

7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes requested by a Noteholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

7.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.

7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.

7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.

7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **8. INTEREST**

8.1 Each Initial Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue if there is no such payment date) up to (and including) the relevant Redemption Date.

8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.

8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

8.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) percentage units 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.

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

### **9.1 Redemption at maturity**

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

### **9.2 Issuer's purchase of Notes**

The Issuer may, subject to applicable law, at any time and at any price purchase Notes in the market or in any other way. The Notes held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled.

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

9.3.1 The Issuer may redeem all, but not some only, of the outstanding Notes in full on any Business Day falling within the period starting one (1) year before the Final Maturity Date up to but excluding the date falling ninety (90) days before the Final Maturity Date. The Notes shall be redeemed at an amount per Note equal to one hundred and three and a half (103.50) per cent. of the Nominal Amount together with accrued but unpaid Interest.

9.3.2 The Issuer may redeem all, but not some only, of the outstanding Notes in full on any Business Day falling within the period starting ninety (90) days before the Final Maturity Date up to but excluding the Final Maturity Date. The Notes shall be redeemed at an amount per Note equal to one hundred and one (101) per cent. of the Nominal Amount or, provided that such early redemption is financed in full by way of the Issuer issuing Market Loan(s) in which the Noteholders shall have the possibility to participate by way of roll-over (however subject to the Issuer's decision on allocation), one hundred (100) per cent. of the Nominal Amount together with accrued but unpaid Interest.

9.3.3 The Issuer shall give notice to the Noteholders and the Agent of any redemption pursuant to Clause 9.3.1 or 9.3.2 no later than twenty (20) Business Days prior to the Redemption Date, calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. A notice of redemption in accordance with Clause 9.3.1 or 9.3.2 is irrevocable and, on the Redemption Date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

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

9.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

- 9.4.2 The Issuer shall give notice of any redemption pursuant to Clause 9.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive amounts due on such Redemption Date.
- 9.4.3 A notice of redemption in accordance with Clause 9.4.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.
- 9.5 **Mandatory repurchase due to a Change of Control Event, a Listing Failure or a De-listing Event (put option)**
- 9.5.1 Upon the occurrence of a Change of Control Event, a Listing Failure or a De-listing Event, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) Business Days following a notice from the Issuer of the Change of Control Event, a Listing Failure or a De-listing Event pursuant to Clause 10.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event, Listing Failure or De-listing Event (as applicable).
- 9.5.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the Record Date on which a person shall be registered as a Noteholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The Redemption Date must fall no later than sixty (60) Business Days after the end of the period referred to in Clause 9.5.1.
- 9.5.3 If Noteholders representing more than 90 per cent. of the Adjusted Nominal Amount have requested that Notes held by them are repurchased pursuant to this Clause 9.5, the Issuer shall send a notice to the remaining Noteholders, if any, giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of thirty (30) Business Days following such notice. Such notice shall specify the Redemption Date, the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date and also include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to this Clause 9.5.3. The Redemption Date must fall no later than sixty (60) Business Days after the end of the period of thirty (30) Business Days referred to in this Clause 9.5.3.
- 9.5.4 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 9.5, if a third party in connection with the occurrence of a Change of Control Event, a Listing Failure or a De-listing Event offers to purchase the Notes in the manner and on the terms set out in this Clause 9.5 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 9.5, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.
- 9.5.5 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the

applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.

9.5.6 Any Notes repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained or sold but not cancelled.

9.5.7 No repurchase of Notes pursuant to this Clause 9.5 shall be required if the Issuer has given notice of a redemption pursuant to Clause 9.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

## **10. INFORMATION TO NOTEHOLDERS**

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

10.1.1 The Issuer will make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:

- (a) prepare and make available the annual audited consolidated financial statements of the Group, 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 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) prepare and make available the year-end report (Sw. *bokslutskommuniké*) for such period;
- (d) prepare and make available any other information required by the Swedish Securities Market Act (Sw. *lagen (2007:528) om värdepappersmarknaden*) and the rules and regulations of the market place on which the Notes are listed;
- (e) issue a Compliance Certificate to the Agent (i) when a Financial Report is made available, (ii) in connection with the payment of any Distribution or the incurrence or extension of Financial Indebtedness (including the incurrence of any Subsequent Notes), which requires that the Financial Covenants are met and (iii) at the Agent's request, within twenty (20) days after such request has been made; and
- (f) keep the latest version of these Terms and Conditions available on the website of the Issuer.

10.1.2 The Issuer shall immediately notify the Agent (and in respect of a Change of Control Event, a Listing Failure or a De-listing Event, also the Noteholders) (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, a Change of Control Event, a Listing Failure, a De-listing Event or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

### **10.2 Information from the Agent**

The Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from

disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

### 10.3 **Information among Noteholders**

Upon request by a Noteholder, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes. The Agent may require that the requesting Noteholder 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.

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

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

10.4.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

## 11. **GENERAL UNDERTAKINGS**

### 11.1 **Disposals**

The Issuer shall not, and shall procure that no other Group Company, 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 its 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 and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

### 11.2 **Dividends**

11.2.1 Neither the Issuer nor any Group Company shall declare, make or pay any dividend, charge, fee, repayment of Subordinated Shareholder Debt, repayment of shareholder's contribution or other distribution (or interest on any unpaid dividend, Subordinated Shareholder Debt or shareholder's contribution, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (including, but not limited to, any transfer of value (Sw. *värdeöverföring*) in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)) or make repurchases or redemptions of shares and/or share capital to its shareholders (a "**Distribution**").

The Issuer may always declare, make or pay any Distribution:

- (i) for each Financial Year, up to an aggregate amount being equal to the lower of (A) of SEK 25,000,000 and (B) the Group's consolidated profit before unrealised changes in property value and derivatives (net of paid taxes) for the previous Financial Year, in each case provided that the Financial Covenants listed in items (a) to (c) in Clause 11.16 are met (tested *pro forma* including such Distribution); and
- (ii) up to an aggregate amount for each Financial Year corresponding to fifty (50) per cent. of the Group's consolidated profit before unrealised changes in property value and derivatives (net of paid taxes) for the previous Financial Year (for the avoidance of doubt, including any Distribution made pursuant to item (i) above) provided that the Financial

Covenants listed in items (a) to (d) in Clause 11.16 are met (tested *pro forma* including such Distribution);

in each case provided that no Event of Default is continuing or would result from such Distribution.

11.2.2 A Group Company, other than the Issuer, may always make the following Distributions:

- (i) repurchases of shares or redemptions of shares and/or share capital; and
- (ii) declarations or payments of any dividends, charges, fees or other distributions (or interest on any unpaid dividends, charges, fees or other distributions) (whether in cash or in kind) on or in respect of its share capital,

provided that such Distribution is made *pro rata* to its immediate shareholder(s) and in each case provided that no Event of Default is continuing or would result from such Distribution.

### 11.3 **Financial Indebtedness**

The Issuer shall not, and shall procure that no other Group Company will, incur or extend any Financial Indebtedness, provided however that the Issuer and any other Group Company may incur Financial Indebtedness provided that (i) the Financial Indebtedness is taken up from a Group Company, or (ii) the Financial Covenants listed in items (a) to (d) under Clause 11.16 are met (tested *pro forma* including such incurred or extended Financial Indebtedness) and in each case provided that no Event of Default is continuing or would result from such incurrence or extension.

### 11.4 **Shareholder loans**

A Group Company may not incur or permit to remain outstanding any debt from direct or indirect shareholders of the Issuer which is not Subordinated Shareholder Debt, other than the Second Existing Loan and the Third Existing Loan.

### 11.5 **Existing Loans**

The First Existing Loan shall be either (i) effectively subordinated to the rights of the Agent and the Noteholders under the Finance Documents or (ii) repaid in full, in each case no later than 31 December 2018.

The Second Existing Loan and the Third Existing Loan shall be either converted into (i) Subordinated Shareholder Debt or (ii) shareholders' equity through conditional or unconditional shareholders' contributions, in each case no later than 31 December 2018.

### 11.6 **Admission to trading**

The Issuer intends to list the Initial Notes on the corporate bond list of Nasdaq Stockholm within thirty (30) days from the First Issue Date, and shall ensure (i) that the Initial Notes are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months after the First Issue Date, (ii) that the Notes, 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 Notes in close connection to the redemption of the Notes and taking into account that if the Notes are listed on another Regulated Market than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm) and (iii) that, upon any Subsequent Notes issue, the volume of Notes listed on the corporate bond list of Nasdaq Stockholm (or another

Regulated Market, as applicable) promptly, and not later than ten (10) Business Days after the relevant issue date, is increased accordingly.

#### 11.7 **Market Loans**

The Issuer shall not, and the Issuer shall ensure that no other Group Company 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 Maturity Date, (ii) create or allow to subsist, retain, provide, prolong or renew any Security (including guarantees) 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 Notes and as permitted under these Terms and Conditions.

#### 11.8 **Dealings with Related Parties**

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

#### 11.9 **Merger**

The Issuer shall not, and shall procure that no Group Company will, enter into any amalgamation, demerger, merger, consolidation, unless (i) between Group Companies (other than the Issuer), or (ii) between the Issuer and a Group Company or any other company, provided that the Issuer is the surviving entity.

#### 11.10 **Change of Business**

The Issuer shall procure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on at the First Issue Date.

#### 11.11 **Pari Passu Ranking**

The Issuer shall ensure that at all times its obligations under these Terms and Conditions rank at least *pari passu* with the claims of all its other unsubordinated and unsecured creditors, except those whose claims are mandatorily preferred by laws of general application.

#### 11.12 **Maintenance of Properties**

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

#### 11.13 **Insurance**

The Issuer shall, and shall procure that each other Group Company will, keep the Properties insured to an extent which is customary for similar properties and businesses on the Swedish market with one or more reputable insurers. The insurance cover shall *inter alia* include full value insurance and third party liability insurances.

#### 11.14 **Valuation**

The Issuer shall procure that a valuation of the Properties is prepared by a reputable external property appraiser appointed by the Issuer each Financial Year (on a rolling twelve (12) months basis). Such valuation shall be delivered to the Agent upon its request.

#### 11.15 **Compliance with Laws**

The Issuer shall, and the Issuer shall ensure that the Group Companies 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 applicable to the Issuer from time to time, 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.

#### 11.16 **Financial Covenants**

11.16.1 The Financial Covenants set out below apply to the Group.

- (a) The Interest Coverage Ratio shall not be less than 1.50:1.
- (b) The Loan to Value shall not exceed: (i) on any date occurring before 31 December 2019, seventy-five (75) per cent., and (ii) on 31 December 2019 and any date occurring thereafter, seventy (70) per cent.,
- (c) The Total Equity shall not be less than SEK 625,000,000.
- (d) The Equity Ratio shall exceed:
  - (i) on any date occurring before 31 December 2019, twenty-five (25) per cent.; and
  - (ii) on 31 December 2019 and any date occurring thereafter, thirty (30) per cent.,

immediately following a Distribution and/or an incurrence or extension of Financial Indebtedness, save for (i) any Financial Indebtedness taken up from a Group Company and (ii) any Distributions permitted under item (i) of Clause 11.2.1.

11.16.2 The Financial Covenants in items (a) to (c) shall be tested and measured from 31 December 2017 and will be measured on each Test Date, and in respect of the Interest Coverage Ratio, for the relevant Test Period, and on each date on which a Subsequent Notes issue or Distribution is made and/or on which the Issuer or a Group Company incurs or extends any Financial Indebtedness (taking into account the Subsequent Notes issue, the Distribution and/or the incurred or extended Financial Indebtedness (as applicable)), save for any Financial Indebtedness taken up from a Group Company. The Financial Covenant in item (d) shall be tested on each date on which a Distribution is made (taking into account the Distribution) and/or on which the Issuer or a Group Company incurs or extends any Financial Indebtedness (tested *pro forma* including such incurred or extended Financial Indebtedness), save for (i) any Financial Indebtedness taken up from a Group Company and (ii) any Distributions permitted under item (i) of Clause 11.2.1.

11.16.3 For the purpose of determining compliance with the Financial Covenants set out above the twelve (12) month period ending within twelve (12) months after any acquisition will include (by way of aggregation) the annualised actual consolidated results of the acquired target company for the initial part of the twelve (12) month period even though it was not then a part of the group, and actual net interest, interest paid and interest received for the period from completion of the relevant acquisition to the relevant testing date, will be annualised over the entire twelve (12) month period.

11.16.4 For the avoidance of doubt, the calculation of the Financial Covenants above shall be made as per a Test Date being the last date of the period covered by the most recent Financial Report.

#### 11.17 **Undertakings relating to the Agency Agreement**

11.17.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information 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 Agency Agreement.

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

#### 11.18 **CSD related undertakings**

The Issuer shall keep the Notes affiliated with a CSD and comply with all applicable CSD Regulations.

### 12. **EVENTS OF DEFAULT**

Each of the events or circumstances set out in Clauses 12.1 to 12.11 is an Event of Default.

#### 12.1 **Non-Payment**

The Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

- (a) is caused by technical or administrative error; and
- (b) is remedied within five (5) Business Days from the due date.

#### 12.2 **Other obligations**

The Issuer or any other person (other than the Agent and the Issuing Agent) does not comply with any terms of or acts in violation of the conditions of the Finance Documents to which it is a party (other than those terms referred to in under Clause 12.1 above), unless the non-compliance:

- (a) is capable of remedy; and
- (b) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

#### 12.3 **Misrepresentation**

Any representation or statement made or deemed to be made by a Group Company in the Finance Documents or any other document delivered by or on behalf of any Group Company under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

#### 12.4 **Impossibility or Illegality**

It is or becomes impossible or unlawful for any Group Company to perform any of its obligations under the Finance Documents or any Finance Document is not, or ceases to be, legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Noteholders under the Finance Documents.

#### 12.5 **Insolvency**

Any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent.

#### 12.6 **Insolvency proceedings**

12.6.1 Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group, other than a solvent liquidation or reorganisation of any Group Company which is not the Issuer;
- (b) the appointment of a liquidator, receiver, administrative receiver, administrator or other similar officer in respect of any member of the Group or any of its assets, other than in connection with a solvent liquidation or reorganisation of any Group Company which is not the Issuer; or
- (c) enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction, where the amount of such Security exceeds SEK 20,000,000 or the equivalent of any other currency.

12.6.2 The above shall not apply to any corporate action, legal proceedings or other procedure or step taken which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement.

#### 12.7 **Mergers and demergers**

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

#### 12.8 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, which affects any asset of a Group Company having an aggregate value of SEK 20,000,000 and is not discharged within thirty (30) calendar days.

#### 12.9 **Listing of the Initial Notes**

The Initial Notes have not been admitted to trading on the corporate bond list of Nasdaq Stockholm or another Regulated Market within twelve (12) months from the First Issue Date.

#### 12.10 **Cross default and cross acceleration**

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

that no Event of Default will occur under this paragraph if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 20,000,000 (or its equivalent in any other currency).

#### 12.11 **Cessation of business**

Any Group Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business, except if due to a permitted merger, demerger or disposal under these Terms and Conditions and provided, in relation to a cessation of business of a Group Company other than the Issuer, that such cessation is likely to have a Material Adverse Effect.

### 13. **ACCELERATION OF THE NOTES**

- 13.1 Upon the occurrence of an Event of Default, and for as long as such event is continuing, the Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 13.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- 13.2 The Agent may not accelerate the Notes in accordance with Clause 13.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 13.3 The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 13.4 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 13.5 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 13.6 In the event of an acceleration of the Notes in accordance with this Clause 13, the Issuer shall redeem all Notes at an amount per Note equal to 101 per cent. of the Nominal Amount plus any accrued but unpaid Interest.

## 14. DISTRIBUTION OF PROCEEDS

14.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 13 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.7, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.15, together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including with default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Notes.

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

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

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

14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Redemption Date, the amount(s) to be paid and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

## 15. DECISIONS BY NOTEHOLDERS

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

15.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them

jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.

- 15.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 15.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 15.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer shall upon request provide the convening Noteholder(s) with the information available in the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Notes in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- 15.5 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 16.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 17.1, in both cases with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.
- 15.6 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Business Day specified in the notice pursuant to Clause 16.2 in respect of a Noteholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 17.2, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the definition of Adjusted Nominal Amount. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.
- 15.7 The following matters shall require the consent of Noteholders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.2:
- (a) the issue of any Subsequent Notes if the Total Nominal Amount of the Notes exceeds, or if such issue would cause the Total Nominal Amount of the Notes to at any time exceed, SEK 700,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);

- (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 9
- (c) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
- (d) a change to the Interest Rate or the Nominal Amount;
- (e) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
- (f) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15;
- (g) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (h) a mandatory exchange of the Notes for other securities; and
- (i) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 12 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

15.8 Any matter not covered by Clause 15.7 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18.1(a) or (b)) and an acceleration of the Notes.

15.9 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.7, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

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

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

15.10 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 15.10, the date of request of the second Noteholders' Meeting pursuant to Clause 16.1 or second Written Procedure pursuant to Clause 17.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 15.9 shall not apply to such second Noteholders' Meeting or Written Procedure.

15.11 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.

15.12 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

- 15.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.14 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 15.15 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.16 If a decision shall be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company or an Affiliate.
- 15.17 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in Clause 15.6(a) or 15.6(b), as the case may be, and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **16. NOTEHOLDERS' MEETING**

- 16.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- 16.2 The notice pursuant to Clause 16.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) day on which a person must be a Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 16.3 The Noteholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 16.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may

deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **17. WRITTEN PROCEDURE**

- 17.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 17.2 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of communication pursuant to Clause 17.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 17.3 When consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15.7 and 15.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.7 or 15.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **18. AMENDMENTS AND WAIVERS**

- 18.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*).
- 18.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

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

### **19.1 Appointment of Agent**

- 19.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, 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 Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 19.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### **19.2 Duties of the Agent**

- 19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. The Agent is not responsible for the content, due execution, legal validity, perfection or enforceability of the Finance Documents. The Agent does not review the documents and other evidence delivered to it pursuant to Clause 4.1 or 4.2 from a legal or commercial perspective of the Noteholders.
- 19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interest of the Noteholders as a group carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 19.2.3 The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Noteholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Noteholders or any other person and no opinion or advice by the Agent will be binding on the Noteholders.
- 19.2.4 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Group with the terms of the Finance Documents (unless to the extent expressly set out in the Finance Documents) or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred.

- 19.2.5 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.
- 19.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 19.2.7 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of proceeds*).
- 19.2.8 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 19.2.9 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 19.2.10 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 19.2.11 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.10.

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

- 19.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 13.1.
- 19.3.5 The Agent is not liable for information provided to the Noteholders by or on behalf of the Issuer or by any other person.
- 19.3.6 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.
- 19.4 **Replacement of the Agent**
- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 19.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require

for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

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

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

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

20.3 The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under these Terms and Conditions.

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

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

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

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

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

22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with 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 Noteholder to provide documents in accordance with Clause 19.1.2), 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 the Agency Agreement or by any reason described in Clause 19.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.11 before a Noteholder may take any action referred to in Clause 22.1.

22.3 The provisions of Clause 22.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, a Listing Failure or a De-listing Event (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

## **23. PRESCRIPTION**

23.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed 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 Noteholders' right to receive payment has been prescribed and has become void.

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

## **24. NOTICES AND PRESS RELEASES**

### **24.1 Notices**

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

- (a) if to the Agent, shall be given 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 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 notified by the Issuer to the Agent from time to time; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Record Date prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

24.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1.1, or, in case of email, when received in readable form by the email recipient.

24.1.3 Any notice pursuant to the Finance Documents shall be in English.

24.1.4 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

## 24.2 **Press releases**

24.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 9.3 (*Voluntary total redemption (Call option)*), 9.4 (*Early redemption due to illegality (Call option)*), 10.1.2, 13.3, 15.17, 16.1, 17.1 and 18.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

24.2.2 In addition to Clause 24.2.1, if any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders 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 Noteholders 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 Noteholders, the Agent shall be entitled to issue such press release.

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

25.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

25.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

25.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

25.4 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## 26. **GOVERNING LAW AND JURISDICTION**

26.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

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

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We hereby certify that the above terms and conditions are binding upon ourselves.

Place:

Place:

Date:

Date:

**OFFENTLIGA HUS I NORDEN AB (PUBL)**

**OFFENTLIGA HUS I NORDEN AB (PUBL)**

**as Issuer**

**as Issuer**

---

Name:

Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place:

Date:

**NORDIC TRUSTEE & AGENCY AB (PUBL)**

**as Agent**

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Name:

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