

BESQAB

Besqab AB (publ)

relating to the listing of

SEK 500,000,000 Senior Unsecured Floating Rate Green Bonds due 2024

ISIN: SE0015950233

Joint Bookrunners



Prospectus dated 11 June 2021 and valid until 11 June 2022

IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Besqab AB (publ) (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Sweden, having its headquarters located at the address, Box 5, 182 11, Danderyd, Sweden, with reg. no. 556693-8881, in relation to the application for the listing of SEK 500,000,000 senior unsecured floating rate green bonds, under a framework of up to SEK 800,000,000, (the "**Bonds**") on the sustainable bond list on Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Carnegie Investment Bank AB (publ) and Swedbank AB (publ) have acted as joint bookrunners in connection with the issue of the Bonds (the "**Joint Bookrunners**"). This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council (the "**Regulation**") and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and repealing Commission Regulation (EC) No 809/2004.

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

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 32 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

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

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

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

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

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

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

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

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Risk Factors

Risk factors deemed to be of importance for Besqab AB (publ) (the "Issuer", and together with its direct and indirect subsidiaries the "Group"). The Group's business and future development and risks relating to the Issuer's senior secured floating rate bond issue (the "Bonds") are described below. Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the terms and conditions of the Bonds entered into by the Issuer and the Agent (the "Terms and Conditions") (as applicable). The risk factors presented below are categorized as "RISKS RELATING TO THE GROUP" or "RISKS RELATING TO THE BONDS" on the basis of whether they pertain to the Group or to the Bonds. The materiality of the risk factors is disclosed by the use of a qualitative ordinal scale of low, medium or high. The assessment of the materiality of the risk factors have been based on a cumulative assessment of the probability of their occurrence and the expected magnitude of their negative impact. The risk factors are organised in several categories and the most material risk factor in a category is presented first in each category. Subsequent risk factors in the same category are not purported to be ranked in order of materiality.

RISKS RELATING TO THE GROUP

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

Certain risks relating to the business model, projects and market demand (medium level risk)

The Group develops new housing, primarily tenant-owner apartments, rental apartments for ownership and self-management, as well as nursing homes and other community service properties. The Group primarily operates in the Stockholm and Uppsala metropolitan areas of Sweden. The Group is therefore highly dependent upon the development of, and would be affected to a greater extent by changes in the real estate market in Stockholm and Uppsala. Further, the Group is dependent on access to land and keeping a good building rights portfolio. Therefore, the Group actively searches and evaluates sites for new projects. The Group currently has approximately 4,000 building rights in its portfolio, of which approximately 1,200 units are currently in production. Lack of access to land which the Group can utilise for its projects in the long term or a negative development of the real estate market in the areas where the Group operates in the short term may have a negative impact on the Group's operations, earnings and financial position.

Several of the Group's projects are at early stages, with constructions not yet being commenced. Property development projects in early stages are always subject to significant risks and the Group's profits depends upon the successful execution of the development projects. The property development projects entail risks relating to the acquisition of properties, building permits and other necessary government approvals, procurement of construction contracts, the completion of the construction, the divestment and pricing of properties, etc. There is a risk that a project is delayed for various reasons or that the cost of the project may overrun the initially estimated costs, causing a lower profit margin. Projects may be aborted or become more expensive and thereby yield less profits than what is estimated by the Group, all of which may have a negative effect on the Group's operations, financial position, earnings and results.

Project risks also include risks in relation to land acquisitions, zoning planning processes where lack of accurate target group analyses, pricing, forecasts and calculations can lead to incorrect decisions and project losses. Other project risks include implementation risks, such as the risk of accidents, design defects and other hidden defects. Further, price risks have a major impact on project profitability and involve unforeseen or increased costs for materials, subcontractors or personnel due to, for example, lack of resources, lack of planning, analysis and cost control.

The Group's business model also involves the sale of residential properties that have not yet been built. Construction of tenant-owner properties and condominiums (*Sw. ägarlägenheter*) begin when approximately 30 per cent. of the tenant-owned apartments or condominiums are booked. As construction of the properties is started prior to all homes being booked, there is a risk that the Group is unable to sell the homes at the time the construction of the property is completed and therefore will be required to purchase the units as the Group underwrites the sales of the apartments when each project is finalised. Currently, the Group owns one apartment which has not yet been sold and is currently being used as a model apartment for one of the Group's projects. In addition to unsold apartments, there is a risk that the sales price will be lower than expected and therefore affecting the Group's calculated income. This may be due to incorrect pricing in relation to the target group and the local competition, but also due to a decline in the market for the type of homes being constructed by the Group. Should any of the aforementioned risks materialise, it may have an adverse effect on the Group's operations, financial position, earnings and results.

Further, the possibility of carrying out project development of properties with financial profitability is affected by whether the projects adequately correspond to market demand and whether the demand or price of housing generally changes. Failure by the Group to accurately analyse the demand in the housing market could have an adverse effect on the Group's financial position.

Risks related to acquisitions, sales and transactions (medium level risk)

Acquisitions of properties with adequate building rights are part of the Group's business and the Group evaluates potential acquisitions that are in line with the Group's strategic objectives. For example, the Group has recently entered into, *inter alia*, an agreement with Solna stad regarding approximately 300 building rights and an agreement with NIAM regarding approximately 270 building rights. Property acquisitions, whether directly or through share acquisitions in property owning companies, involve, for example, environmental risks, financial risks, legal risks and risks of technical problems. If any such risks relating to future operations, acquired companies or properties would materialise this could have a negative effect on the Group's operations, financial position, earnings and results.

Future acquisitions may also include undertakings by the Issuer to pay additional purchase price to the sellers, for example in relation to additional building rights. Such additional payments may have adverse effects on the financial position of the Issuer. There is a risk that future acquisition activities will present certain financial, managerial and operational risks, including challenges presented by acquisitions which does not achieve sales levels and profitability that justify the investments made by the Group. If the ongoing or future acquisitions are not successfully completed, there is a risk that the Group's business, financial condition and results of operations will be adversely affected. Also, there is a risk that future acquisitions will result in dilutive issuances of the Group's equity

securities, the incurrence of debt, contingent liabilities, amortisation costs, impairment of goodwill or restructuring charges, any of which will have an adverse effect on the Group's business, earnings and financial position.

There is a risk that the Group is not successful in finding the right market price in relation to sales of properties of individual tenant-owner apartments. Furthermore, if delays occur in the completion of the property or the housing, for example due to technical problems, the purchaser may be entitled to request cancellation of the acquisition. Different claims may thus be directed at the Group from its customers, for example regarding fees for delays and with regard to the condition of the properties. In agreements with its customers, the Group has provided an undertaking to pay damages to the purchaser if the projects are, for instance, delayed. Equivalent undertakings are usually contained in the construction contracts in order to ensure that the Group's costs for delays and faults relating to the contractors will be reimbursed. There is a risk that sufficient and full back to back protection is not included in the relevant agreements, or that, for instance, a contractor will not be able to reimburse the Group due to insolvency or bankruptcy. Should any of the aforementioned risks materialise it could have an adverse effect on the Group's business, earnings and financial position.

Joint ventures and associated companies (medium level risk)

The Group conducts some of its operations through joint ventures, co-owned with Järntorget in respect of approximately 600 apartments, with IKANO in respect of approximately 1,000 apartments and with Byggnadsfirman Erik Wallin in respect of approximately 800 building rights. As a result, the Group does not have an independent influence over the conduct of the joint venture, and subsequently all of the Group's business and cash flow. The Group's business model includes pursuing additional joint ventures. There is a risk that the partners owning the joint ventures may disagree on important matters, including the funding of the joint venture, or that actions made by the Issuer's partner in the joint venture acts in a way that is adverse to the Issuer's interests. A disagreement or deadlock regarding the joint venture or a breach by one of the parties of the material provisions of the cooperation arrangements could adversely affect the Group's operations, earnings and financial position.

Competitive landscape (medium level risk)

The Group operates in a competitive market where the Group's future possibilities to compete are, among other things, dependent upon the Group's ability to anticipate future market changes and trends, and to rapidly react on existing and future market needs. Actions taken by the Group to stay competitive in the market may result in increased costs or require price reductions or changes to the Group's business model. Recently, an increase in the number of competitors in the market where the Group operates has been noted. Increased competition from existing and new market participants as well as failure by the Group to meet the competition from such new and existing companies or to react to market changes or trends could have a negative impact on the Group's operations, earnings and financial position.

Technical risks (medium level risk)

Property investments, development and property management always contain technical risks related to the operations of the property, including, but not limited to, construction issues, hidden defects, damage to the property (including through fire or other natural disasters) and pollution. These types of technical problems could result in significant unforeseen costs relating to the property. If one or several of the properties owned by the Group encounters any technical issues in the future this could substantially increase the costs relating to such property and the housing development related thereto, which could have a negative effect on the Group's operations, financial position, earnings and results.

Property risk (medium level risk)

The Group currently owns three properties for self-management. Return from the self-managed properties depends on the rental income, the costs and expenses incurred in the asset management, refinement and property management, as well as changes in the market value of the properties. Rental income and the market value of properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates. There is a risk that both property value and rental income will be affected by competition from other property owners, or the perceptions by prospective tenants of the attractiveness, convenience and safety of the properties. There is a risk that the Group will experience a decrease in its rental income if it does not succeed in securing long term lease agreements or if future tenants will not be willing or have the means to enter into long term lease agreements and such decrease would have a negative effect on the Group's operations, financial position, earnings and results.

Risks relating to lease agreements (low level risk)

The Group's result is affected negatively if the occupancy ratio or the rental levels decreases. The Group currently has two material tenants related to its care and rental housing business, being the care operators Vardaga and Ersta diakoni. As part of the Group's expansion strategy, the Group will invest in long-term ownership and operation of residential housing properties, nursing homes and other community services. There is a risk that current and new tenants will not renew or prolong their lease agreements once they expire and there are risks involved with obtaining new tenants for the relevant premise. New potential tenants might imply higher counterparty risks, and the Group's ability to successfully negotiate a new lease contract on favorable terms is dependent upon the general condition of the real estate market at such time. Further, the premises may have to be renovated and adjusted to serve the new tenants. There is a risk that such investments would have a negative effect on the Group's operations, financial position, earnings and results. There could also be a period when the relevant premises have no tenants and consequently no income, which would have a negative effect on the Group's operations, financial position, earnings and results.

Further, the Group will enter into lease agreements regarding residential housing. According to the Swedish Land Code, a tenant party to a residential lease is always entitled to three (3) months' notice period. The tenant may terminate the lease agreement observing a notice period of three (3) months, which means that there is a risk that the Group may at any time, with short notice, receive notice of termination which may incur a loss of rental income for the period until a new lease agreement can be entered into with a new tenant, which would have a negative effect on the Group's operations, financial position, earnings and results.

RISKS RELATING TO THE GROUP'S FINANCIAL SITUATION

Macroeconomic factors (high level risk)

The Group's business and the real estate market is to a large extent affected by macroeconomic factors such as, *inter alia*, the general economic development, growth, employment trends, level of production of new premises and residential properties, changes in infrastructure, population growth, inflation and interest rate levels. If one or more of these factors would have a negative development, this could have a material negative impact on the Group's operations, earnings and financial position. Further, failure by the Group to accurately monitor the driving forces and trends, as well as analyses of which municipalities and districts have favourable future conditions could have a negative impact on the Group's operations, earnings and financial position. Market disruption, particularly in the Swedish real estate market where the Group is active, and a general global economic downturn may affect the Group and the Group's customers' financial position. Furthermore, deterioration in the global economy or decreased liquidity in the Swedish market for residential properties may also have a negative impact on the Group's operations, earnings and financial position.

The current low level of interest rates has improved the ability of the Group's customers to obtain loan financing at nominally low interest rates. If the interest rate were to increase, the Group's customers would be unable to obtain loan financing at the same nominally low interest rates. Since changes in interest rates affect the ability of households and purchasers of the Group's projects to pay for housing and properties, a material increase of interest rates could have an adverse effect on the Group's earnings, results and financial position.

The current ongoing pandemic caused by the COVID-19 virus could cause delays in the Group's ongoing projects due to, for example, delayed delivery of materials used in the Group's property developments projects or cause prices of such materials to increase. Delays or increase in price of materials or a failure by the Group to properly manage price risk due to inefficient or inflexible construction processes and purchasing routines could adversely affect the Group's financial position.

Borrowing by the Group and interest risk (medium level risk)

The Group has incurred, and may subject to the limits set out in the Terms and Conditions further incur, financial indebtedness to finance its business operations. Such financing may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. As of 31 March 2021, the Group had an aggregate approximate credit exposure of SEK 1,672,300,000 and has granted guarantees (Sw. *borgensåtgande*), primarily in relation to the accession of building rights, in an aggregate approximate amount of SEK 1,896,700,000. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. The interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks. Calculated as of 31 December 2020, an increase in 3-

months STIBOR by one (1) percentage point would increase the Group's interest rate expense for the financial year by approximately SEK 4,000,000. An increase in interest rates would entail an increase in the Group's interest obligations, which could have a negative effect on the Groups' operations, financial position, earnings and results.

Credit risk (medium level risk)

The Group is dependent on receiving payment for *inter alia* the sales of residential housing and rental income from lease agreements that the Group has entered into. There is a risk that the Group's customers may be unable to meet their financial commitments with the Group. Furthermore, the Group is exposed to credit risks in relation to other counterparties, such as tenant-owner associations and joint venture companies. Such counterparties can end up in a financial situation in which they are unable to pay agreed fees or other debts to the Group when those fees or debts fall due. If the Group's counterparties are unable to meet their financial commitments with the Group, it could have an adverse effect on the Group's business and financial condition.

Financing risk (medium level risk)

A significant part of the Group's business consists of property development projects. Property development requires substantial financing primarily during the initial development phase, where capital is required for land acquisition and processing work to develop a zoning plan for the finished product. The financing requirement varies from project to project and depends on, among other things, the time the development process takes place and the type of acquisition to be made. All of the Group's projects are externally financed in terms of both construction loan agreements (Sw. *byggnadskreditiv*) and final financing for properties for ownership and self-management. There is a risk that the Group is unable to obtain sufficient debt financing to initiate a project due to factors within or beyond the Group's control. If such circumstances occur, it could mean that projects will not be initiated at all, or that projects may not be completed before loans fall due, or that increased costs cannot be covered by the credit facilities granted. If the Group is unable to obtain (i) financing for acquisitions or development, (ii) an extension or increase of existing financing or refinancing, or (iii) is otherwise only able to obtain the needed financing on unfavorable terms, for example due to a low equity ratio, this could have an adverse effect on the Group's business and financial condition.

LEGAL AND REGULATORY RISKS

Dependency upon laws, regulations, decisions and permits (high level risk)

The Group's business and property development is regulated and affected by several different laws and regulations as well as proceedings and decisions related to these laws and regulations. For example, the Planning and Building Act (Sw. *Plan- och bygglag (2010:900)*), building codes, security regulations, regulation related to building materials and rules regarding listed buildings can all have an impact on the Group's business and the cost and ability to develop properties. The Group conducts its property developments in accordance with its interpretation of applicable laws and regulations. There is a risk that the Group's or its advisors' interpretation could be incorrect or that such laws and regulations may change in the future. There is also a risk that laws or regulations may

hinder the Group from developing or converting properties in accordance with their intentions, or that the projects are delayed or more costly than anticipated.

Currently, approximately 40 per cent. of the Group's building rights have zoning plans approved by the relevant municipality. There is a risk that zoning plans necessary for the Group's projects will not be adopted by the municipality, that the Group will not receive a final approval of the zoning plans within the prescribed time period or that the zoning plans will not be approved in accordance with the Group's initial anticipations and conditions upon which the relevant land was acquired. This may lead to the Group not being able to, *inter alia*, produce as many units as initially calculated for or sell the housing units on such favourable terms as was initially budgeted for, which may have an adverse effect on the Group's results and financial position. Furthermore, changes to current laws and regulations could result in unexpected costs or lead to limitations in the development of the Group's business.

Various legislations and regulations (including, without limitation, competition regulations, land law, environmental regulations and taxes) affect the business conducted by the Group. New or amended legislation and regulations could call for unexpected costs or impose restrictions on the development of the business operations which could have an adverse effect on the Group's business, operations, earnings, results and financial position.

If one or several of the above factors would develop negatively or if any of the described risks would materialise, it could have a negative impact on the Group's operations, earnings and financial position.

ENVIRONMENTAL RELATED RISKS

Environmental risk (medium level risk)

The starting point for the responsibility with respect to contaminations and other environmental damage is, according to the current environmental laws, that the business operator, current and present, bears the responsibility. The Group does not currently have any projects which requires a permit according to the Environmental Code (SFS 1998:808) (Sw. *Miljöbalken (1998:808)*), however, the Group has currently had projects that were dependent on a water-rights court ruling (Sw. *vattendom*). Further, there may be, or may have been, tenants on the properties which the Group directly or indirectly owns that conduct business which require a particular permit according to the Environmental Code, i.e. that are business operators according to the Environmental Code.

If no business operator can carry out or pay for after-treatment of a property, the acquirer of the property, and which at the time of the acquisition knew about, or should have discovered, the contaminations is responsible for the after-treatment. This means that claims under certain circumstances can be directed against the Group for cleaning-up or after-treatment regarding the occurrence of, or suspicion of, contamination in the ground, water areas, or groundwater, in order to put the property in such condition as required by the Environmental Code.

Further, previous business operators may have carried out after-treatment of a property in an acceptable manner according to the usage at that point of time. As a result of changed usage to

residential purposes, the requirements for the Group may be higher, which means that the Group may have costs for after-treatment and cleaning-up in order to be able to use the property as desired.

Furthermore, the Group operates in an industry that contributes to significant climate impact in the value chain. Failure by the Group's in respect of climate work could have a negative effect on the Group's brand and lead to increased costs in the future.

Finally, changed laws, regulations and requirements from authorities on the environmental area could result in increased costs for the Group with respect to cleaning-up, after-treatment or decontamination regarding currently held or in the future acquired properties. Such changes could also result in increased costs or delays for the Group in order to be able to carry out the real estate development as desired by the Group.

All such claims could have a negative impact on the Group's operations, earnings and financial position.

RISKS RELATING TO THE BONDS

RISKS RELATED TO THE NATURE OF THE BONDS

Risks related to early redemption (medium level risk)

Under the Terms and Conditions, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions. There is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to carry out the required redemption of Bonds.

Credit risks (medium level risk)

Investors in the Bonds carry a credit risk towards the Group. The investor's ability to receive payment under the Bonds is therefore dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above.

There is a risk that an increased credit risk will cause the market to charge the Bonds a higher risk premium, which will affect the Bonds' value negatively. Another aspect of the credit risk is that there is a risk that a deteriorating financial position of the Group will reduce the Group's possibility

to receive debt financing at the time of the maturity of the Bonds, and consequently the Issuer's ability to repay the Bonds at maturity.

Interest rate risks (medium level risk)

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. The Bonds bear a floating rate interest of 3 month STIBOR plus a margin and the interest rate of the Bonds will be determined two business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Group's control.

Risks relating to the Bonds being unsecured (medium level risk)

The Bonds represents an unsecured obligation of the Issuer. Under the Terms and Conditions, the Issuer has the right to incur additional debt and grant security in respect of such debt in accordance with the limits set out therein. As of the date of this Prospectus, the Issuer has not granted any security in respect of any debt owed by itself. If the Issuer is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, all of the Issuer's secured obligations must first be satisfied, potentially leaving little or no remaining assets in the Issuer for the bondholders. As a result, the bondholders may not recover any or full value.

Benchmark Regulation (low level risk)

Interest payable on the Bonds will be calculated by reference to STIBOR. The process for determining STIBOR and other interest-rate benchmarks is subject to a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has applied. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of benchmark that is used for the Bonds, it could potentially have negative effects for the Bondholders.

Liquidity risks and secondary market (low level risk)

Pursuant to the Terms and Conditions the Issuer has an obligation to list the Bonds on the corporate bond list of Nasdaq Stockholm (or another regulated market) within 12 months from the first issue date. Further, the Issuer intends to complete such listing within 30 days from the first issue date, and each bondholder has a put option in relation to its Bonds if the Bonds are not listed within 60 days after the first issue date of the Bonds. For further information regarding the consequences of a listing failure, see section "*Put option*" below. Even if the Bonds are admitted to trading on the aforementioned market, active trading in the Bonds does not always occur and a liquid market for trading in the Bonds might not occur even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market.

Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if the Bonds are admitted for trading on Nasdaq Stockholm. It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

Put options (low level risk)

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put options) if, *inter alia*, (i) the Bonds are not listed on a regulated market within sixty (60) days from its issuance, (ii) the shares in the Issuer are delisted from Nasdaq Stockholm without being listed on another regulated market simultaneously therewith or trading is suspended for a period of fifteen (15) consecutive business days, or (iii) one or more persons acting together acquire control over the Issuer through acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer. There is a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

RISK RELATING TO THE LABELLING OF THE BONDS

Green bonds (medium level risk)

The net proceeds from the issue of the initial Bonds and any subsequent issue of Bonds, will be used for general corporate purposes, including acquisitions of land, building rights and property development, in each case in accordance with the Issuer's green finance framework (the "**Green Finance Framework**") applicable from time to time. As such, Bonds have been issued to comply with the Green Finance Framework as it appeared on the issue date for the relevant Bonds and any changes made to the Green Finance Framework after the initial issuance of the Bonds will not influence the Bonds issued in the initial bond issue. However, the Issuer's Green Finance Framework as well as the prevailing market practices and market standards for green bonds may develop or change after the issuance of the Bonds, which may entail changes to the Green Finance Framework applicable in relation to any subsequent Bonds and may also entail changed conditions for the Issuer.

There is currently no clear definition, whether legal or otherwise, or market consensus as to what constitutes a "green" or an equivalently-labelled project or what is precisely required for that a particular project may be defined as "green" or equivalently labelled. Accordingly, there is a risk that any projects, asset or uses defined in the Green Finance Framework will not meet current or future investor expectations regarding such "green" or other equivalently-labelled performance objectives. There is also a risk that future developments in the definitions of "green" projects, towards which proceeds may be applied in accordance with the Green Finance Framework, render the eligible projects for the Bond Issue, as described in the Green Finance Framework, obsolete.

The proceeds from each Bond issue are to be applied, *inter alia*, in accordance with the Green Finance Framework. There is a risk that such use of proceeds cannot satisfy present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor is required to comply, whether according to applicable law or regulations or by such investor's own by-laws, other governing rules or investment portfolio mandates. Furthermore, the Bonds categorise as a different type of bond investment than such debt instruments that a presumptive bond investor may have invested in historically. There is a risk that the Bonds issued in accordance with the Green Finance Framework do not correspond to, or otherwise meet, the expectations of investors, the current request for such investments on the market for bonds in general or green bonds in particular or that investors may lack the mandate to invest in green bonds.

A failure by the Issuer to comply with the Green Finance Framework does not constitute an event of default under the Terms and Conditions. Bondholders do not either have a put option or any other right to prepayment in case of the Issuer's failure to comply with the Green Finance Framework. Hence, there is a risk that the expectations of investors, insofar such expectations are related to the compliance with the Green Finance Framework, are not met.

Third party certification (low level risk)

The Issuer has appointed the Center for International Climate and Environmental Research ("**CICERO**") for an independent, research-based evaluation of the Green Finance Framework to determine its environmental robustness. The evaluation resulted in a second opinion dated in March 2021 (the "**Second Opinion**"). CICERO is neither responsible for how the Green Finance Framework is implemented and followed up by investors, authorities (as applicable) or other stakeholders, nor is CICERO responsible for the outcome of investments in projects described as eligible projects in the Green Finance Framework. There is a risk that the suitability or reliability of any opinions issued by CICERO or any other third party, relied on in connection with any issue of Bonds or for post-issuance review of any kind, may be questioned by the Issuer, a potential investor, the bondholders or any third party. As any such opinion or certification is current only as of the date of its initial issuance, there is a risk that such opinion or certification is deemed irrelevant at a later stage or by any investors in the Bonds. Furthermore, the providers of such opinions and certifications are currently not subject to any specific regulatory or other regime or oversight, and there is a risk, upon such requirements becoming mandatory, that such providers will be deemed as not being reliable or objective in the future.

RISK RELATING TO THE BONDHOLDERS' RIGHTS AND REPRESENTATION

The rights of bondholders depend on the Agent's actions and financial standing (low level risk)

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

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

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

Bondholders' meetings and written procedures (low level risk)

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

No action against the Issuer and bondholders' representation (low level risk)

In accordance with the Terms and Conditions, the Agent represents all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, could bring its own

action against the Issuer (in breach of the Terms and Conditions), which could negatively impact an acceleration of the Bonds or other action against the Issuer.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings. Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, there is a risk that the actions of the Agent in such matters will impact a bondholder's rights under the Terms and Conditions in a manner that is undesirable for some of the bondholders.

RISK RELATED TO THE FINANCIAL STANDING OF THE GROUP

Structural subordination and insolvency of subsidiaries and joint ventures (medium level risk)

A significant part of the Group's assets and revenues relate to the Group's approximately 94 subsidiaries of the Issuer or its three joint ventures. The subsidiaries are legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. The ability of the subsidiaries to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers).

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

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

Distributions and financial covenants calculated in accordance with management reporting (medium level risk)

According to the Terms and Conditions, the Issuer has retained the right to make distributions each financial year in an amount of up to 50 per cent. of the previous year's net profit, excluding unrealised changes in value and any tax payable upon such unrealised changes. The net profit for this purpose will be calculated in accordance with the Group's management reporting (*Sw. segmentsredovisning*), which inter alia the Group's dividend policy is based upon, and not the figures prepared in accordance with IFRS. Furthermore, the financial covenants pursuant to the maintenance test and the incurrence test will also be calculated based on the figures in accordance with the management reporting. The Group has undertaken to not make any changes to the principles applied in its management reporting during the tenor of the Bonds. Furthermore, the figures prepared in accordance with the management reporting will not be subject to an official

audit by the auditor. Instead, the auditor will review the figures and the bridge between the figures in accordance with the management reporting and the audited figures in accordance with IFRS and that the principles for the management reporting is relevant for the Group's business. Since the management reporting is not subject to official accounting principles to follow and not officially audited, investors' predictability and monitoring of the Group's performance in relation to the financial covenants may be limited. Additionally, the total amount of distributions that may be made during each financial year may differ compared to if the calculation had been made in accordance with IFRS instead of the management reporting and the Group's dividend policy.

The Bonds in Brief

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

Interest payable for the Bonds issued under this Prospectus is calculated by reference to STIBOR. STIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). As at the date of this Prospectus, the administrator of STIBOR (being the Swedish Financial Benchmark Facility) is not included in the European Securities and Markets Authority's ("**ESMA**") register of administrators under Article 36 of the Regulation (EU) No. 2016/1011.

Unless otherwise specifically defined in this section *The Bonds in Brief*, a defined term or reference to a clause shall have the meaning ascribed to such term or refer to such applicable clause in the Terms and Conditions.

Issuer	Besqab AB (publ).
Bonds issued	At the date of this Prospectus, an aggregate amount of Bonds of SEK 500,000,000 had been issued on the First Issue Date. The aggregate amount of the bond loan will be an amount of up to a maximum of SEK 800,000,000. The Issuer has chosen not to issue the full amount of Bonds on the First Issue Date and may choose to issue the remaining amount of Bonds at one or more subsequent dates.
Number of Bonds	Maximum of 640 Bonds. At the date of this Prospectus 400 Bonds had been issued on the First Issue Date.
ISIN	SE0015950233.
First Issue Date	14 May 2021.
Issue price	All bonds issued on the First Issue Date have been issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount. The issue price of the Subsequent Bonds may be at a discount or at a premium compared to the Nominal Amount.
Interest Rates	Interest on the Bonds will be paid at a floating rate of three-month STIBOR plus 5.25 per cent. per annum. If the Interest Rate is below zero (0), the Interest Rate will be deemed to be zero (0).
Use of benchmark	Interest payable on the Bonds will be calculated by reference to STIBOR. STIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the " Benchmark Regulation "). As at the date of this Prospectus, the administrator of STIBOR (being the Swedish Financial Benchmark Facility) is not included in the European Securities and Markets Authority's (" ESMA ") register of administrators under Article 36 of the Benchmark Regulation.
Interest Payment Dates	14 February, 14 May, 14 August and 14 November of each year commencing on 14 August 2021. Interest will accrue from (but excluding) the First Issue Date.
First Call Date	Means the date falling 18 months after the First Issue Date.
Final Maturity Date	Means 14 May 2024.

Nominal Amount	The Bonds will have a nominal amount of SEK 1,250,000 and the minimum permissible investment in the Bonds is SEK 1,250,000.
Status of the Bonds	<p>The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.</p> <p>The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, and:</p> <ul style="list-style-type: none"> • will at all times rank (i) without any preference among them and (ii) at least <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law; • are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness; and • are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer, including obligations to trade creditors.
Call Option	The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 9.3 (<i>Voluntary total redemption (call option)</i>) of the Terms and Conditions.
Call Option Amount	<p>Call Option Amount means:</p> <ol style="list-style-type: none"> (a) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 102.625 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c), up to and including the First Call Date together with accrued but unpaid Interest; (b) any time from and including the First Call Date to, but excluding, the first Business Day falling 24 months after the First Issue Date at an amount per Bond equal to 102.625 per cent. of the Nominal Amount, together with accrued but unpaid Interest; (c) any time from and including the first Business Day falling 24 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 101.3125 per cent. of the Nominal Amount, together with accrued but unpaid Interest; (d) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.65625 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and (e) notwithstanding paragraph (iv) above, provided that the redemption is financed to at least 100 per cent. by way of an issue of Debt Instruments any time from and including the first Business Day falling 33 months prior to the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.
Mandatory repurchase due to a Change of Control Event, Listing Failure Event, Delisting (put option)	Upon the occurrence of a Change of Control Event, Listing Failure Event or Delisting, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event, Listing Failure Event or Delisting pursuant to Clause 10.1(e) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event, Listing Failure Event or Delisting.
Change of Control Event	Means the occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer and where "control" means (a)

acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

Listing Failure Event

Means:

- (a) that the Initial Bonds have not been admitted to listing on Nasdaq Stockholm (or another Regulated Market) within 60 days from the First Issue Date (provided that the Issuer shall use its best efforts to list the Initial Bonds within 30 days after the First Issue Date); or
- (b) that any Subsequent Bonds have not been admitted to listing on Nasdaq Stockholm (or another Regulated Market) within 60 days from the issuance of such Subsequent Bonds (provided that the Issuer shall use its best efforts to list any Subsequent Bonds within 30 days after the issuance of such Subsequent Bonds).

Delisting

Means:

- (a) the delisting of the shares in the Issuer from a Regulated Market; or
- (b) trading in the ordinary shares of the Issuer on the relevant Regulated Market is suspended for a period of 15 consecutive Business Days (when that Regulated Market is at the same time open for trading).

Certain Covenants

The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, *inter alia*:

- restrictions on making any changes to the nature of their business;
- a negative pledge, restricting the granting of security on Financial Indebtedness;
- restrictions on the incurrence of Financial Indebtedness; and
- limitations on the making of distributions and disposal of assets.

Maintenance Covenants

The Issuer shall ensure that:

- (a) the Interest Coverage Ratio is at least 2.50:1;
- (b) the Minimum Cash is at least SEK 75,000,000; and
- (c) the Equity Ratio is at least 32.50 per cent.

Incurrence Test

The Incurrence Test is met if:

- (a) the Loan to Value is not greater than 70 per cent.; and
- (b) no Event of Default is continuing or would occur upon the incurrence of Financial Indebtedness, distribution or disposal (as applicable).

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

Use of Proceeds

The Net Proceeds from the Initial Bond Issue shall be used to finance general corporate purposes, including investments and acquisitions, in accordance with the Green Bond Framework.

The Net Proceeds from any Subsequent Bond Issue shall be used to finance general corporate purposes, including investments and acquisitions, in accordance with the Green Bond Framework.

The Net Proceeds from the Initial Bond Issue were in an approximate amount of SEK 491,250,000.

Transfer Restrictions	The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
Listing	Application has been made to list the 400 Bonds, issued on the First Issue Date, on the sustainable bond list of Nasdaq Stockholm. The earliest date for admitting the 400 Bonds to trading on Nasdaq Stockholm is on or about 11 June 2021.
Agent	Nordic Trustee & Agency AB (publ).
Issuing Agent	Swedbank AB (publ).
Governing Law of the Bonds	Swedish law.
Risk Factors	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

Statement of Responsibility

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 29 April 2021, and was subsequently issued by the Issuer on 14 May 2021. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the sustainable bond list of Nasdaq Stockholm, in accordance with the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council.

After the expiration date of this Prospectus, being 11 June 2022, the obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the prospectus is no longer valid.

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

11 June 2021

Besqab AB (publ)

The board of directors

Description of Material Agreements

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

As of the date of this Prospectus, a Group Company, Besqab Projekt och Fastigheter Aktiefbolag, reg. no. 556345-6416, has a credit facility for working capital purposes with a limit of SEK 20,000,000, of which SEK 20,000,000 is unutilised.

Description of the Group

History, business, operations and development

General

Besqab AB (publ)'s country of incorporation is Sweden and was incorporated on 29 November 2005. The Company is a public limited liability company operating under the laws of Sweden, registered with the Companies Registration Office with reg. no. 556693-8881 and its legal entity identifier (LEI) code is 549300U5KUVJBT6HLL49. Besqab is the commercial name used collectively by all of the Group's projects (including the Company).

The registered office of the Issuer is Box 5, 182 11, Danderyd, Sweden and the Issuer's headquarters is located at Golfvägen 2, Box 5, 182 11, Danderyd, Sweden, with telephone number +46 8-409 416 00. The website of the Company is besqab.se. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

Business model

The Company is residential development and real estate company and is engaged in building, owning and managing residential, nursing homes and other community service properties. In accordance with the articles of association of the Company, as in force as at the date of this Prospectus, the objects of the Company are to directly and indirectly conduct property development and operations compatible therewith. The Group primarily operates in the Stockholm and Uppsala metropolitan areas of Sweden and has been operating in the real estate market since 1989.

The Group's business consists of two business segments; Residential Development for sale to private individuals and Property Development and Real Estate including development of rental apartments and community service properties (for example nursing homes and pre-schools). Since the end of 2020, the Group has broadened its business within the Development and Real Estate segment to include property development for own ownership and management.

The Residential Development business segment is the Group's core business, in which the Group develops tenant-owner associations, condominiums (Sw. *ägarlägenheter*) and proprietorships (Sw. *ägarrätter*) and sells apartment units and single-family homes to private individuals.

Under the Property Development and Real Estate business segment, the Group focuses on property development of rental homes and nursing homes for sale to property owners, rental properties with private healthcare providers and municipalities as tenants, rental homes for external property owners or for sale to investors and for its own ownership and management.

Building rights portfolio and production

As at the date of this Prospectus, the Group currently has approximately 4,000 building rights in the Stockholm and Uppsala region in its portfolio, of which approximately 1,200 units are currently in production. For example, the Group has recently entered into, *inter alia*, an agreement with Solna stad regarding approximately 300 building rights and an agreement with NIAM regarding approximately 270 building rights. It further owns three properties for self-management.

The Group's ongoing production is split between 54 per cent. in Residential Development, which amounts to approximately 90 per cent of the Group's revenue, and 46 per cent. in the Property Development and Real Estate segment, which amounts to approximately 10 per cent. of the Group's revenue.

The Group is involved in the property development process from the beginning, which includes *inter alia* working with the relevant municipalities in relation to zoning plans for properties which have been acquired with no approved zoning plan and obtaining necessary building permits. In respect of tenant-owner apartments and condominiums, the construction of the properties begins when approximately 30 per cent. of the homes have been booked by private individuals.

The construction work is carried out by subcontractors engaged by the Group, while the Group's employees primarily work with project management.

Joint ventures

The Group conducts some of its operations through three joint ventures, co-owned with Järntorget in respect of approximately 600 apartments, with IKANO in respect of approximately 1,000 apartments and with Byggnadsfirman Erik Wallin in respect of approximately 800 building rights.

Sustainability

The Group actively works with sustainability issues and thus future project financing (for example construction credit facilities and property liabilities) shall, to the extent possible, be made with green financing in accordance with the Group's green finance framework, which is aligned with ICMA's Green Bond Principles and the LMA's Green Loan Principles and has received a Medium Green rating by CICERO Shades of Green. The Group's green finance framework and CICERO Shades of Green's second opinion can be found on the Group's website at besqab.se/sv/obligationer. Further, the Group's homes that starts the planning process in 2021 should be certified according to the Nordic Swan Ecolabel (Sw. *Svanenmärkt*) and aims to certify all tenant-owner associations with Safe BRF (Sw. *Trygg BRF*).

Share capital and ownership structure

The shares of the Company are denominated in SEK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Company had an issued share capital of SEK 155,148,290 divided into 15,514,829 of shares.

The following table sets forth the ownership structure in the Company as per 31 March 2021, with subsequent changes known to the Company.

<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital and voting rights</i>
Familjen Nordström (including companies)	5,544,833	35.74%
STIFTELSEN OLLE ENKVIST	1,342,850	8.66%
Gustaf Douglas (including companies and family members)	1,077,932	6.95%
FJÄRDE AP-FONDEN	904,467	5.83%
LUPINIA AB	815,277	5.25%
Prior & Nilsson Fond- och Kapitalförvaltning AB	813,883	5.25%

MORGAN STANLEY & CO INTL PLC, W8IMY	615,860	3,97%
Carl Wale (including family members)	590,730	3.81%
Lars Öberg (including companies and related parties)	420,000	2.71%
Kristian Wale (including family members)	334,326	2.15%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	298,096	1.92%
NORVELL, FREDDIE	144,000	0.93%
Other shareholders	2,612,575	16.84%
Total	15,514,829	100.00 %

Board of directors and management shareholders

The following members of the board of directors and management of the Company have shareholdings in the Company:

- Olle Nordström (including family members) holds 96,400 shares directly in the Issuer and 1/3 of the shares in Skirner AB, which holds 5,313,583 shares directly in the Issuer.
- Bo Björfors holds 30,963 shares.
- Sara Mindus holds 20,000 shares.
- Johan Westring holds 15,100 shares.
- Staffan Grundmark holds 9,875 shares.
- Zdravko Markovski holds 6,000 shares.
- Andreas Philipson holds 5,000 shares through Philipson Capital AB.
- Magnus Ekström holds 4,625 shares.
- Carola Lavén holds 4,110 shares.
- Anna Slätteby holds 1,088 shares.
- Lotta Niland holds 1,975 shares.
- Jens Rooth holds 1,200 shares.

Shareholders' agreements

The Company is not aware of the details of any provision in the arrangement between its shareholders, the operation of which may at a subsequent date result in a change in control of the Issuer.

Overview of Group structure

On the date of this Prospectus, the Issuer has, directly and indirectly, 81 wholly-owned subsidiaries.

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

Recent events

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

Significant change, trend information and financial performance

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

Legal, governmental and arbitration proceedings

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

Credit rating

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

Board of Directors and Management

On the date of this Prospectus the board of directors of the Company consisted of five members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Company at its headquarters at Golfvägen 2, Box 5, 182 11, Danderyd, Sweden. Further information on the members of the board of directors and the senior management is set forth below.

Board of directors

Olle Nordström, chairman of the board since 2015.

Education: MSc in Economics, Stockholm School of Economics

Current commitments: Chairman of Investment AB Latour and Skirner Förvaltning AB, board member of Teletec Connect Aktiebolag.

Carola Lavén, member of the board since 2020.

Education: Master of Science, Royal Institute of Technology

Current commitments: Board member of Veidekke ASA, Ersta Diakoni and Bofrämjandet.

Zdravko Markovski, member of the board since 2015.

Education: Master of Science in Engineering from the School of Civil Engineering, Royal Institute of Technology

Current commitments: Board member of Castellum Aktiebolag.

Andreas Philipson, member of the board since 2016.

Education: Master of Science in Engineering from the School of Civil Engineering, Chalmers University of Technology

Current commitments: Board member of TAM Group AB, certain subsidiaries within the TAM Group, Stendörren Fastigheter AB and Adapteo Plc.

Sara Mindus, member of the board since 2017.

Education: LL.M. and MSc in Economics, Stockholm University

Current commitments: Board member and CEO of Sara Mindus AB. Board member of K-Fast Holding AB (publ), TF Bank AB (publ), Dreams AB, Dreams Securities AB, Colibri Ventures AB and Faboss Invest AB. Deputy board member in certain companies in the Mindustri Group.

Management

Carola Lavén, CEO

See information above.

Magnus Ekström, CFO

Education: Bachelor of Arts and Systems Science/Data

Current commitments: N/A.

Johan Westring, Acquisition & Exploitation

Education: Master of Science in Engineering

Current commitments: N/A.

Lotta Niland, Head of Project Development Housing

Education: Master of Science in Engineering

Current commitments: Board member of Stockholms Byggmästareförening's housing committee and Sveriges Byggindustrier region east.

Anna Slätteby, Sales & Customer Offers

Education: Master of Science in Engineering

Current commitments: N/A.

Jens Rooth, Head of Rental Properties

Education: Master of Science in Engineering

Current commitments: N/A.

Bo Björfors, Head of Property Development

Education: Master of Science in Engineering

Current commitments: N/A.

Staffan Grundmark, Head of Housing Production

Education: Master of Science in Engineering

Current commitments: Chairman of Stockholms Byggmästareförening's housing committee, member of Don-orden at the Community Building Section at the Royal Institute of Technology.

Conflicts of interest within administrative, management and control bodies

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

Interest of natural and legal persons involved in the issue

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

Historical Financial Information

The Group's consolidated financial statements for the financial year ended 31 December 2020 and the figures for the financial year ended 31 December 2019 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. All such information is available on the Issuer's website, <https://investors.besgab.se/sv/finansiella-rapporter>. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2020 and 31 December 2019 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU.

Other than the auditing of the Group's consolidated financial statements for the financial year ended 31 December 2020 and for the financial year ended 31 December 2019, the Group's auditor has not audited or reviewed any part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2020 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 96;
- consolidated balance sheet, page 97;
- consolidated statement of changes in equity, page 98;
- consolidated cash flow statement, page 99;
- notes, pages 105 – 126; and
- the audit report, pages 128 – 131.

The specific information set out below from the Group's consolidated financial statements for the financial year ended 31 December 2019 is incorporated into this Prospectus by reference. The other information set out in the consolidated financial statements for the financial year ended 31 December 2019 is deemed to not be relevant for the purpose of this Prospectus:

- consolidated income statement, page 84;
- consolidated balance sheet, page 85;
- consolidated statement of changes in equity, page 86;
- consolidated cash flow statement, page 87;
- notes, pages 93 – 117; and
- the audit report, pages 119 – 122.

Auditing of the annual historical financial information

The Company's consolidated financial statements as at present and for the years 2020 and 2019 have been audited, as applicable, by Ernst & Young AB, Hamngatan 26, vånging 11, 111 47 Stockholm. Ernst & Young AB has been the Company's auditor since 2010, and was re-elected for an additional year on the latest annual general meeting. Jonas Svensson is the auditor who has been responsible for the company for the financial years 2014 to 2020. On the latest annual general meeting, Jonas Svensson was replaced by Fredrik Hävrén who is now responsible for the Company. The reason for the replacement of Jonas Svensson is that the responsible auditor must be replaced after seven years according to applicable regulations. Fredrik Hävrén is an authorised auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

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

Age of the most recent financial information

The most recent financial information has been taken from the consolidated financial statements for the financial year ended 31 December 2020, which was published on 26 March 2021 on the Issuer's website <https://investors.besqab.se/sv/finansiella-rapporter>.

Other Information

Approval of the Prospectus

This Prospectus has been approved by Finansinspektionen, as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. Finansinspektionen only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of the European Parliament and of the Council. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this prospectus nor of the Issuer that is the subject of this prospectus and investors should make their own assessment as to the suitability of investing in the securities.

Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 500,000,000 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of SEK 800,000,000. Each Bond has a nominal amount of SEK 1,250,000. The ISIN for the Bonds is SE0015950233.

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

Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders and can be accessed on the Issuer's website: <https://investors.besqab.se/sv/obligationer>.

Material contracts

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

Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's website at <https://investors.besqab.se/sv/finansiella-rapporter>:

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2020; and
- pages 84-87, 93-117 and 119-122 from the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019.

Documents available for inspection

The following documents are available at the Company's headquarters at Golfvägen 2, Box 5, 182 11, Danderyd, Sweden, on weekdays during the Company's regular office hours throughout the period of validity of this Prospectus.

- the Company's articles of association;
- the Company's certificate of registration;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2020; and
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019.

The following documents are also available in electronic form on the Company's website <https://investors.besqab.se/sv/finansiella-rapporter>:

- the Company's articles of association;
- the Company's certificate of registration;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2020; and
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019.

Listing costs

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 230,000.

Terms and Conditions of the Bonds

1. Definitions and Construction

1.1 Definitions

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

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

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

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

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

"**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 prior to 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.

"**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.

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

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

"Bondholders' Meeting" means a meeting among the Bondholders held in accordance with Clause 16 (*Bondholders' Meeting*).

"Bond Issue" means the Initial Bond Issue and any Subsequent Bond Issue.

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

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

"Call Option Amount" mean the amount set out in Clause 9.3 (*Voluntary total redemption (call option)*), as applicable.

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

"Change of Control Event" means the occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

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

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

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

"**CSD Regulations**" means the CSD's rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

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

"**Delisting**" means (i) the delisting of the shares in the Issuer from a Regulated Market or (ii) trading in the ordinary shares of the Issuer on the relevant Regulated Market is suspended for a period of 15 consecutive Business Days (when that Regulated Market is at the same time open for trading).

"**EBITDA**" means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the Management Reporting as set out in the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items which are not in line with the ordinary course of business provided that such items are not in excess of an amount equal to ten per cent. of EBITDA in the Reference Period;
- (d) not including any accrued interest owing to any Group Company;
- (e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which are accounted for on a hedge account basis);
- (f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of business) and any loss or gain arising from an upward or downward revaluation of any asset;
- (g) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (h) plus or minus the Group's share of the profits or losses of entities which are not part of the Group;
- (i) after adding back any losses to the extent covered by any insurance and in respect of which insurance proceeds have been received by the Group, provided such insurance proceeds are not already included in the consolidated profit of the Group; and

- (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

"Equity" means, in accordance with the Management Reporting, the consolidated sum of (i) restricted equity, (ii) non-restricted equity and (iii) any Subordinated Debt.

"Equity Ratio" means Equity to Total Assets.

"Event of Default" means an event or circumstance specified in any of the Clauses 13.1 (*Non-Payment*) to and including Clause 13.10 (*Continuation of the Business*).

"Excluded Debt" means all liabilities, including under any guarantee, of an interest bearing nature (both current and long term) in the consolidated balance sheet of the Group taken up in the ordinary course of business of the Group that is owed by any Property Development Company or tenant-owner associations (Sw. *bostadsrättsföreningar*).

"Final Maturity Date" means 14 May 2024.

"Finance Charges" means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any member of the Group according to the Management Reporting as set out in the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, any interest in respect of any loan owing to any member of the Group, any interest on Hybrid Bonds or capitalised interest in respect of any Subordinated Debt and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

"Finance Documents" means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement; and
- (c) any other document designated by the Issuer and the Agent as a Finance Document.

"Finance Leases" means any finance leases other than in respect of any land leasehold (Sw. *tomträtt*), to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the Accounting Principles applicable 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 a finance lease.

"Financial Indebtedness" means any indebtedness in respect of:

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

- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)-(f).

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

"Financial Report" means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available according to Clauses 10.1(a)(i) and 10.1(a)(ii).

"First Call Date" means the date falling 18 months after the First Issue Date.

"First Issue Date" means 14 May 2021.

"Floating Rate Margin" means 5.25 per cent. *per annum*.

"Force Majeure Event" has the meaning set forth in Clause 25(a).

"Green Finance Framework" means the Issuer's framework for green financing, including green bonds, as it is worded on the Issue Date of the relevant Bonds.

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

"Hybrid Bonds" means any subordinated (according to its terms) debt instruments which are, entirely or partly, permitted to be accounted for as equity in accordance with the Accounting Principles at the date of issuance of the relevant subordinated debt instrument(s).

"Incurrence Test" means the incurrence test set out in Clause 11.3 (*Incurrence Test*).

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

"Initial Bonds" means the Bonds issued on the First Issue Date.

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

"Interest" means the interest on the Bonds calculated in accordance with Clauses 8(a) to 8(c).

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

"Interest Payment Date" means 14 February, 14 May, 14 August, and 14 November each year. The first Interest Payment Date shall be 14 August 2021. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a Business Day, the Business Day following from an application of the Business Day Convention.

"Interest Period" means (i) in respect of the first Interest Period, the period from (but excluding) the 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).

"Interest Rate" means STIBOR plus the Floating Rate Margin. If the Interest Rate is below zero, the Interest Rate will be deemed to be zero.

"Issuer" means Besqab AB (publ), a limited liability company incorporated in Sweden with reg. no. 556693-8881.

"Issuing Agent" means Swedbank AB (publ), or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"Joint Bookrunners" means Carnegie Investment Bank AB (publ) and Swedbank AB (publ).

"Listing Failure Event" means:

- (a) that the Initial Bonds have not been admitted to listing on Nasdaq Stockholm (or another Regulated Market) within 60 days from the First Issue Date (provided that the Issuer shall use its best efforts to list the Initial Bonds within 30 days after the First Issue Date); or
- (b) that any Subsequent Bonds have not been admitted to listing on Nasdaq Stockholm (or another Regulated Market) within 60 days from the issuance of such

Subsequent Bonds (provided that the Issuer shall use its best efforts to list any Subsequent Bonds within 30 days after the issuance of such Subsequent Bonds).

"Loan to Value" means the Net Interest Bearing Debt as a percentage of the Value.

"Maintenance Covenants" means the maintenance covenants set out in Clause 11.1 (*Maintenance Covenants*).

"Management Reporting" means the Group's management reporting in accordance with IFRS 8 (Operating Segment) (*Sw. segmentsredovisning*).

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

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

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

"Material Group Company" means the Issuer and any other Group Company representing 5.00 per cent. or more of the consolidated book value of all assets of the Group calculated in accordance with the Accounting Principles, according to the latest annual audited consolidated financial statements of the Group.

"Minimum Cash" means Cash and Cash Equivalents held by the Group.

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

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

"Net Interest Bearing Debt" means the aggregate interest bearing Financial Indebtedness less cash and cash equivalents of the Group in accordance with the Management Reporting (for the avoidance of doubt, excluding guarantees, bank guarantees, Subordinated Debt, any claims subordinated pursuant to a subordination agreement on terms and conditions satisfactory to the Agent and interest bearing Financial Indebtedness borrowed from any Group Company).

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

"Nominal Amount" has the meaning set forth in Clause 2(c).

"Permitted Debt" means any Financial Indebtedness:

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) incurred by any member of the Group under any Working Capital Facility;
- (c) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (d) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions and/or any Working Capital Facility, but not any transaction for investment or speculative purposes;
- (e) of the Group incurred pursuant to any Finance Leases incurred in the ordinary course of the Group's business in a maximum amount of SEK 25,000,000;
- (f) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (g) incurred by a Group Company from another Group Company (including any cash pool arrangements);
- (h) incurred under any Subordinated Debt;
- (i) incurred under any Excluded Debt;
- (j) incurred under any guarantee granted by a Group Company in respect of an underlying liability in the ordinary course of business of any of the Group's joint ventures;
- (k) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested *pro forma* including such incurrence, and
 - (i) is incurred as a result of a Subsequent Bond Issue; or
 - (ii) ranks *pari passu* with the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date; or
 - (iii) is subordinated to the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early

redemption dates or instalment dates which occur after the Final Maturity Date;

- (l) incurred as a result of any Group Company acquiring another entity after the First Issue Date which entity already had incurred Financial Indebtedness but not incurred or increased or having its maturity date extended in contemplation of, or since that acquisition, provided that:
 - (i) the Incurrence Test is met on a *pro forma* basis if tested immediately after the making of that acquisition, and
 - (ii) such Financial Indebtedness is:
 - (A) repaid in full within six months of completion of such acquisition; or
 - (B) refinanced in full within six months of completion of such acquisition with the Issuer as the new borrower;
- (m) incurred under Advance Purchase Agreements;
- (n) incurred under any pension and tax liabilities in the ordinary course of business by any Group Company;
- (o) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- (p) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds; and
- (q) not covered under paragraphs (a)-(p) above in an aggregate maximum amount of SEK 20,000,000.

"Permitted Security" means any Security:

- (a) provided under the Finance Documents;
- (b) provided for any Working Capital Facility, permitted under paragraph (b) of the definition of "Permitted Debt";
- (c) provided for any interest rate hedging transactions, permitted under paragraph (c) of the definitions of "Permitted Debt";
- (d) provided for any foreign exchange transaction or commodity transaction, permitted under paragraph (d) of the definition of "Permitted Debt";

- (e) provided over any assets being subject to a Finance Lease, permitted pursuant to paragraph (e) of the definition of "Permitted Debt";
- (f) provided for any Excluded Debt, permitted under paragraph (i) of the definition of "Permitted Debt";
- (g) provided in relation to any lease agreement entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (h) arising under any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements, including cash pool arrangements, for the purpose of netting debit and credit balances of Group Companies;
- (i) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or Security in respect of any monies borrowed or raised);
- (j) subsisting as a result of any Group Company acquiring another entity after the First Issue Date which entity already had provided security for Financial Indebtedness permitted under paragraph (l) of the definition of "Permitted Debt", provided that such security is discharged and released in full upon the refinancing or repayment of such Financial Indebtedness as set out therein;
- (k) affecting any asset acquired by any Group Company after the First Issue Date, provided that such security is discharged and released in full within 90 days of such acquisition;
- (l) provided for any pension or tax liabilities permitted under paragraph (n) of the definition of "Permitted Debt";
- (m) created for the benefit of the financing providers in relation to any Financial Indebtedness incurred in connection with a refinancing of the Bonds in full, permitted pursuant to paragraph (p) of the definition of "Permitted Debt", however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);
- (n) provided for any guarantees issued by a Group Company in the ordinary course of business; or
- (o) not covered under paragraphs (a)-(n) above securing an aggregate maximum amount of SEK 20,000,000.

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

"Properties" means all real properties owned by the Group from time to time, including building rights, development properties, ongoing development projects and any completed tenant-owner apartment which has not been sold and which is included in the Group's consolidated balance sheet (each a **"Property"**).

"Property Development Company" means any entity incorporated or acquired by the Group for the purpose of property development (including, for the avoidance of doubt, properties for self-management).

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

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

"Redemption Date" means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Bonds*).

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

"Reference Period" means each period of twelve consecutive calendar months.

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

"Restricted Payment" has the meaning set forth in Clause 12.2(a).

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

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

"Subordinated Debt" means any loan made to the Issuer as debtor, if such loan:

- (a) according to its terms pursuant to a subordination agreement on terms and conditions satisfactory to the Agent, is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and

- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date unless a Restricted Payment is permitted under the Finance Documents.

"STIBOR" means:

- (a) the applicable percentage rate per annum of the Stockholm interbank offered rate for STIBOR fixing administered and calculated by the Swedish Financial Benchmark Facility (or any other person which takes over the administration of that rate) and displayed on the appropriate Reuters screen (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

"Subsequent Bond Issue" has the meaning set forth in Clause 2(e).

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

"Subsidiary" means, in respect of which such Person, directly or indirectly:

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

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

"Total Assets" means the consolidated book value of all assets of the Group calculated in accordance with the Management Reporting.

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

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

"Valuation" means a valuation of the Valuation Properties prepared and issued by an independent and reputable appraiser, specifying the value of the Valuation Properties.

"Valuation Properties" means the Properties excluding any properties owned by tenant-owner associations (Sw. *bostadsrättsföreningar*).

"Value" means the value of the Properties, the Group's interests in any joint venture and the value of any interest bearing receivables, as set out in accordance with the Management Reporting in the most recent Financial Report.

"Working Capital Facility" means any working capital facility provided for the general corporate purposes of the Group in the maximum amount of SEK 50,000,000.

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

1.2 Construction

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

- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- (e) The privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

2. Status of the Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The nominal amount of each Initial Bond is SEK 1,250,000 (the "**Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is SEK 500,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) The minimum permissible investment in a Bond Issue is SEK 1,250,000.
- (e) Provided that the Incurrence Test is met, the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 800,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 15(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (f) The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
- (g) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to

which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. Use of Proceeds

The Net Proceeds from the Initial Bond Issue shall be used to finance general corporate purposes, including investments and acquisitions, in accordance with the Green Finance Framework.

The Net Proceeds from any Subsequent Bond Issue shall be used to finance general corporate purposes, including investments and acquisitions, in accordance with the Green Finance Framework.

4. Conditions Precedent

4.1 Conditions Precedent Initial Bond Issue

- (a) The Issuer shall provide to the Agent, no later than 11.00 a.m. three Business Days prior to the First Issue Date (or such later time as agreed by the Agent), the following:
 - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent, together constituting evidence that the Finance Documents have been duly executed;
 - (ii) copies of the Finance Documents, duly executed; and
 - (iii) an agreed form Compliance Certificate.
- (b) The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions precedent in relation to the Initial Bond Issue have been fulfilled or waived. The First Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 11.00 a.m. two Business Days prior to the First Issue Date (or later, of the Issuing Agent so agrees).
- (c) Following receipt by the Issuing Agent of the confirmation from the Agent in respect of the conditions precedent in relation to the Initial Bond Issue, the Issuing Agent shall settle the issuance of the Initial Bonds and transfer the Net Proceeds of the Initial Bond Issue to the Issuer on the First Issue Date.

- (d) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1(a) 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 have any obligation to review the documentation and evidence referred to in Clause 4.1(a) above from a legal or commercial perspective of the Bondholders.

4.2 Conditions Precedent Subsequent Bond Issue

- (a) The Issuer shall provide to the Agent, no later than 11.00 a.m. three Business Days prior to the relevant Issue Date in respect of a Subsequent Bond Issue, the following:
 - (i) constitutional documents and corporate resolutions for the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith;
 - (ii) a Compliance Certificate confirming that the Incurrence Test is met (calculated on a *pro forma* basis), duly executed; and
 - (iii) such other documents and evidence as is agreed between the Agent and the Issuer.
- (b) The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions precedent in relation to the Subsequent Bond Issue have been fulfilled or waived. The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 11.00 a.m. two Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees).
- (c) Following receipt by the Issuing Agent of the confirmation from the Agent in respect of the conditions precedent in relation to the relevant Subsequent Bond Issue, the Issuing Agent shall settle the issuance of the Subsequent Bond Issue to the Issuer on the Issue Date in respect of such Subsequent Bonds.
- (d) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.2(a) 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 have any obligation to review the documentation and evidence referred to in Clause 4.2(a) above from a legal or commercial perspective of the Bondholders.

5. Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or

deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such Persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

6. Right to Act on Behalf of a Bondholder

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney or other authorisation to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The 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(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

7. Payments in Respect of the Bonds

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

- (b) If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue without any default interest in accordance with Clause 8(d) during such postponement.
- (d) 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.
- (e) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

8. Interest

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9. Redemption and Repurchase of the Bonds

9.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together

with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

9.2 Issuer's purchase of Bonds

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

9.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
- (i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 102.625 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c), up to and including the First Call Date together with accrued but unpaid Interest;
 - (ii) any time from and including the First Call Date to, but excluding, the first Business Day falling 24 months after the First Issue Date at an amount per Bond equal to 102.625 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (iii) any time from and including the first Business Day falling 24 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 101.3125 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (iv) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.65625 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
 - (v) notwithstanding paragraph (iv) above, provided that the redemption is financed to at least 100 per cent. by way of an issue of Debt Instruments any time from and including the first Business Day falling 33 months prior to the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. The notice shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the

fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant record date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

9.4 Mandatory repurchase due to a Change of Control Event, Listing Failure Event, Delisting (put option)

- (a) Upon the occurrence of a Change of Control Event, Listing Failure Event or Delisting, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event, Listing Failure Event or Delisting pursuant to Clause 10.1(e) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event, Listing Failure Event or Delisting.
- (b) The notice from the Issuer pursuant to Clause 10.1(e) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1(e). The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.4(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.4 may at the Issuer's discretion be retained or sold, but not cancelled.

10. Information to Bondholders

10.1 Information from the Issuer

- (a) The Issuer shall make the following information available by publication on the website of the Issuer:

- (i) as soon as the same become available, but in any event within four months after the end of each financial year, the annual audited consolidated financial statements of the Group, 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, prepared in accordance with (i) the applicable Accounting Principles, and (ii) the Management Reporting (which, for the avoidance of doubt, will be reviewed and confirmed by the auditor that it has been consistently applied in accordance with the principles used for the financial year 2020 but not officially audited);
 - (ii) as soon as the same become available, but in any event within two months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (*Sw. bokslutskommuniké*) (as applicable), 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, prepared in accordance with (i) the applicable Accounting Principles, and (ii) the Management Reporting;
 - (iii) in connection with the publication of the annual audited consolidated financial statements of the Group, a report of the use of proceeds of the Bonds in accordance with the Green Finance Framework; and
 - (iv) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (b) The Management Reporting set out in the financial statements pursuant to Clause 10.1(a)(i) shall be reviewed by and its relevance and that it has been consistently applied in accordance with the principles applied for the financial year 2020 shall be confirmed by the Group's auditor in the auditor's report in respect of the annual audited consolidated financial statements prepared in accordance with the Accounting Principles.
- (c) When the Bonds have been listed on a Regulated Market:
 - (i) the information set out in Clause 10.1(a) shall also be made available by way of press release; and
 - (ii) the reports referred to in Clause 10.1(a)(i) and Clause 10.1(a)(ii) shall be prepared in accordance with IFRS.
- (d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 10.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (e) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event, Listing Failure Event or Delisting, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change

of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.

- (f) The Issuer shall promptly notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the 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.
- (g) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
 - (i) in connection with the testing of the Incurrence Test;
 - (ii) in connection with that a Financial Report is made available; and
 - (iii) at the Agent's request, within 20 days from such request.
- (h) The Agent may at any time request a Valuation if the Agent has reason to believe that the Loan to Value covenant is breached. All costs for the Valuation shall be borne by the Issuer.
- (i) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (g) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (j) The Issuer is only obliged to inform the Agent according to this Clause 10.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 10.1.

10.2 Information from the Agent

- (a) Subject to applicable laws, regulations and the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 10.2(b), the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

10.3 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any documents amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- (b) The Issuer shall keep the latest version of the Green Finance Framework and any second opinion or rating in respect of the Green Finance Framework applicable (i) from time to time, (ii) on the Initial Bond Issue, and (iii) on any Subsequent Bond Issue, available on the website of the Group.
- (c) The latest version of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours.

11. Financial Undertakings

11.1 Maintenance Covenants

The Issuer shall ensure that:

- (a) the Interest Coverage Ratio is at least 2.50:1;
- (b) the Minimum Cash is at least SEK 75,000,000; and
- (c) the Equity Ratio is at least 32.50 per cent.

11.2 Testing of the Maintenance Covenants

The Maintenance Covenants shall be calculated in accordance with the Management Reporting applicable to the Group and tested by reference to each of the Financial Reports on each Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be 30 June 2021.

11.3 Incurrence Test

The Incurrence Test is met if:

- (a) the Loan to Value is not greater than 70 per cent.; and
- (f) no Event of Default is continuing or would occur upon the incurrence of Financial Indebtedness, distribution or disposal (as applicable).

11.4 Testing of the Incurrence Test

The calculation of the Loan to Value for the purpose of the Incurrence Test shall be calculated as follows:

- (a) the calculation of Net Interest Bearing Debt shall be as per a testing date determined by the Issuer, falling no more than one month prior to the incurrence of the new Financial Indebtedness or the distribution (as applicable) and in any event no earlier than the First Issue Date, and the amount of Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include any new Financial Indebtedness and exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred (however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Interest Bearing Debt); and
- (b) the calculation of Value shall be calculated based on the Value set out in the most recent Financial Report (including, when necessary, a Financial Report published before the First Issue Date).

11.5 Calculation Adjustments

- (a) The figures for EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Maintenance Covenant, but adjusted so that:
 - (i) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period; and
 - (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period.
- (b) The figures for Net Finance Charges set out in the Financial Report as of the most recent quarter date (including when necessary, financial statements published before the First Issue Date), shall be used, but adjusted so that Net Finance Charges for such Reference Period shall be:
 - (i) reduced to reflect any Net Finance Charges attributable to a disposed entity or which has been repaid, repurchased, defeased or otherwise discharged as a result of or in connection with a disposal of an entity (to the extent such Net Finance Charges is included in the relevant Financial Report);
 - (ii) increased on a *pro forma* basis by an amount equal to the Net Finance Charges directly attributable to (i) any Financial Indebtedness owed by acquired entities and (ii) any Financial Indebtedness incurred to finance the acquisition of entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant Reference Period; and
 - (iii) increased on a *pro forma* basis by an amount equal to the Net Finance Charges directly attributable to any Financial Indebtedness permitted

pursuant to paragraph (k) of the definition of "Permitted Debt", calculated as if such debt had been incurred at the beginning of the relevant Reference Period.

- (c) The figures for Cash and Cash Equivalents set out in the Financial Report as of the most recent quarter date (including when necessary, financial statements published before the First Issue Date), shall be used, but adjusted so that Cash and Cash Equivalents shall be reduced with an amount equal to any amounts drawn under any Working Capital Facility.

11.6 Valuation of Properties

The Issuer shall procure that a Valuation is made at least once each year. The Issuer shall procure that the results of the most recent Valuation(s) are reflected in good faith and in accordance with the Group's valuation policy in the Value in the following Financial Report(s).

12. General Undertakings

12.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will comply with the undertakings set out in this Clause 12 for as long as any Bonds remain outstanding.

12.2 Restricted Payments

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
- (i) pay any dividend in respect of its shares;
 - (ii) repurchase or redeem any of its own shares;
 - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to its shareholders;
 - (iv) repay any Subordinated Debt or pay any interest thereon, save for interest under any Hybrid Bond;
 - (v) make any prepayments or repayments under any long term debt ranking junior or *pari passu* with the Bonds;
 - (vi) grant any loans except in the ordinary course of business; or
 - (vii) make any other similar distribution or transfers of value to any Person,
- (paragraphs (i)-(vii) above are together and individually referred to as a "**Restricted Payment**").
- (b) Notwithstanding the above, a Restricted Payment may be made:

- (i) if made to the Issuer or a direct or indirect Subsidiary of the Issuer but, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis;
- (ii) if made to Raw Property AB and not made on a *pro rata* basis, by way of loans in an aggregate amount not exceeding SEK 35,000,000 and by way of shareholders' contributions in an aggregate amount not exceeding SEK 15,000,000;
- (iii) if made to any of the Group's joint ventures, is made on a *pro rata* basis; and/or
- (iv) if:
 - (A) the Incurrence Test is met (calculated on a *pro forma* basis including the relevant Restricted Payment); and
 - (B) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group (other than payments permitted under paragraphs (i) – (iii) above) in any fiscal year (including the Restricted Payment in question) does not exceed 50 per cent. of the Group's consolidated net profit excluding unrealised changes in value and any tax payable on such unrealised changes in value for the previous financial year calculated in accordance with the Management Reporting, adjusted for any distribution to any minority shareholder.

12.3 Listing

The Issuer shall ensure that:

- (a) the Initial Bonds are listed on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain or if the Issuer determines in its reasonable discretion that a different Regulated Market should be preferred, admitted to trading on another Regulated Market within twelve months after the First Issue Date;
- (b) any Subsequent Bonds are listed on the sustainable bond list on Nasdaq Stockholm or if such admission to trading is not possible to obtain or maintain, or if the Issuer determines in its reasonable discretion that a different Regulated Market should be preferred admitted to trading on another Regulated Market, within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 20 days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued before the date falling twelve months after the First Issue Date in which case such Subsequent Bonds shall be listed within twelve months after the First Issue Date); and
- (c) the Bonds, once admitted to trading on the sustainable bond list of the relevant Regulated Market, continue to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant

Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

12.4 Nature of Business

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

12.5 Financial Indebtedness

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur any Financial Indebtedness, other than Permitted Debt.

12.6 Disposal of Assets

The Issuer shall not, and shall procure that no Subsidiary will, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction (i) is carried out at fair market value and on arm's length terms and (ii) does not have a Material Adverse Effect.

12.7 Negative Pledge

The Issuer shall not, and shall procure that none of its Subsidiaries will, provide, prolong or renew any Security over any of its/their assets (present or future), other than any Permitted Security.

12.8 Mergers and demergers

The Issuer shall procure that none of its Subsidiaries will enter into a merger or demerger unless such merger or demerger is not likely to have a Material Adverse Effect.

12.9 Dealings at arm's length terms

The Issuer shall, and shall procure that its Subsidiaries will, conduct all dealings with any Person (other than Group Companies) at arm's length terms.

12.10 Compliance with laws and authorisations

The Issuer shall, and shall make sure that its Subsidiaries will, (i) comply with all laws and regulations applicable from time to time and (ii), obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

12.11 Green Finance Framework

The Issuer shall maintain a Green Finance Framework and shall ensure that the proceeds from any Bond Issue is used in accordance with the Green Finance Framework applicable from time to time.

12.12 Principles for Management Reporting

The Issuer shall ensure that the principles applied for the Management Reporting during the financial year 2020 shall be consistently applied to the Management Reporting until the Final Maturity Date.

12.13 Insurance

The Issuer shall, and shall procure that its Subsidiaries will, keep the Properties insured to an extent which is customary for similar properties on the relevant geographical market with one or more reputable insurers. The insurance cover shall *inter alia* include full value insurance and loss of rent insurance.

12.14 Environmental

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

12.15 Property specific undertakings

The Issuer shall ensure that:

- (a) the Properties are managed properly and maintained in good condition; and
- (b) the Properties are not demolished or altered in a way that would have a Material Adverse Effect.

12.16 Undertakings relating to the Agency Agreement

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

12.17 CSD related undertakings

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

13. Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 13 (other than Clause 13.11 (*Acceleration of the Bonds*)) is an Event of Default.

13.1 Non-Payment

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

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

13.2 Maintenance Covenants

The Issuer has failed to comply with any of the Maintenance Covenants.

13.3 Other Obligations

A party (other than the Agent) fails to comply with the Finance Documents, in any other way than as set out in Clauses 13.1 (*Non-Payment*), 13.2 (*Maintenance Covenants*), 12.11 (*Green Finance Framework*) or in relation to any publication to be made in relation to the Green Finance Framework or any second opinion in relation thereto, provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer or that party has remedied the failure within 20 Business Days of the earlier of (i) the Issuer or that party becoming aware of the failure to comply and (ii) the Agent requesting the Issuer in writing to remedy such failure.

13.4 Cross payment default and Cross-acceleration

Any Financial Indebtedness of a Material Group Company is:

- (a) not paid when due as extended by any originally applicable grace period (if there is one); or
- (b) declared to be due and payable prior to its specified maturity as a result of an event of default (however described),

provided that no Event of Default will occur under this Clause 13.4 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 20,000,000 or (ii) it is owed to a Group Company.

13.5 Insolvency

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

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

13.6 Insolvency Proceedings

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries of the Issuer, solvent liquidations) in relation to:

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

13.7 Creditors' Process

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

13.8 Mergers and demergers

A decision is made that the Issuer shall enter into a merger where it is not the surviving entity or that it shall enter into a demerger.

13.9 Impossibility or Illegality

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

13.10 Continuation of the Business

The Issuer or any other Group Company ceases to carry on its business (other than (i) following a Permitted Merger, (ii) a solvent liquidation permitted pursuant to Clause 13.6 (*Insolvency Proceedings*) above or (iii) a disposal permitted under the Finance Documents), if such discontinuation is likely to have a Material Adverse Effect.

13.11 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least 50 per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Bondholder on the

Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 13.11(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

- (b) The Agent may not accelerate the Bonds in accordance with Clause 13.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders' Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five 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 always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds 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 Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 13.11, the Issuer shall up to, but excluding, the First Call Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

14. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 13 (*Events of Default and Acceleration of the Bonds*) shall be distributed in the following order of priority:
 - (i) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights as

may have been incurred by the 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(g), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15(m);

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

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

- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14(a)(i).
- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.
- (d) If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least 15 Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7(a) shall apply.

15. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt

with at a Bondholders' 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 Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.

- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a Person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a Person who is, registered as a Bondholder:
- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
 - (ii) on the Business Day specified in the communication pursuant to Clause 17(c), in respect of a Written Procedure,

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

- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(c):
- (i) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, SEK 800,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
 - (ii) a change to the terms of any of Clause 2(a), and Clauses 2(f) to 2(h);
 - (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
 - (iv) a change to the Interest Rate or the Nominal Amount;
 - (v) waive a breach of or amend an undertaking set out in Clause 12 (*General Undertakings*);
 - (vi) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of Proceeds*);

- (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 15;
 - (viii) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
 - (ix) a mandatory exchange of the Bonds for other securities; and
 - (x) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 13 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by Clause 15(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18(a)(i) or 18(a)(ii)) or an acceleration of the Bonds.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least 50 per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15(e), and otherwise 20 per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16(a)) or initiate a second Written Procedure (in accordance with Clause 17(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 15(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.

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

16. Bondholders' Meeting

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 16(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 19.4(c), the Issuer shall no later than five Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 16(a).

- (c) The notice pursuant to Clause 16(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than 15 Business Days and no later than 30 Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

17. Written Procedure

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 17(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least 15 Business Days from the communication pursuant to Clause 17(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 15(e) and 15(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15(e) or 15(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18. Amendments and Waivers

- (a) The Issuer and the Agent (in each case acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 18(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority, to the extent such registration is possible with the rules of the relevant CSD.
- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

19. Appointment and Replacement of the Agent

19.1 Appointment of Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set forth in Clause 19.1(a).
- (c) Each Bondholder 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 not under any obligation to represent a Bondholder which does not comply with such request.
- (d) 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.

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

- (a) The Agent shall represent the Bondholders subject to and in accordance with the Finance Documents. The Agent is not responsible for the content, valid execution, legal validity or enforceability of the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) 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 Bondholders, 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 Bondholders or any other Person.
- (d) The Agent is not is obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) The Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- (g) The 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 which the Agent reasonably

believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and the Issuer. 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*).

- (h) 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.
- (i) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the 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.
- (j) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 19.2(i).

19.3 Limited liability for the Agent

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall not be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The 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 it to the Bondholders, provided that it has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.

- (d) The Agent shall not have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the 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 Bondholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

19.4 Replacement of the Agent

- (a) Subject to Clause 19.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 19.4(f), 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.
- (c) A Bondholder (or Bondholders) 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 Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent be appointed.
- (d) If the Bondholders have not appointed a successor Agent within 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 Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) 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.
- (f) 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.

- (g) 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 Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) 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. 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 CSD

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

21. Appointment and Replacement of the Issuing Agent

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

22. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its

equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.

- (b) Clause 22(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 19.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 19.2(i), such failure must continue for at least 40 Business Days after notice pursuant to Clause 19.2(k) before a Bondholder may take any action referred to in Clause 22(a).
- (c) The provisions of Clause 22(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.4 (*Mandatory repurchase due to a Change of Control Event, Listing Failure Event, Delisting (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

23. Prescription

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

24. Notices and Press Releases

24.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
 - (i) 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 the email address notified by the Agent from time to time;

- (ii) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if practically possible) or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Group and the Agent.
- (b) Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or if between the Issuer and the Agent, by email, and will only be effective:
 - (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1(a);
 - (ii) in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1(a); or
 - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.
- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

24.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 10.1(e), 13.11(c), 15(o), 16(a), 17(a) and 18(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 24.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

25. Force Majeure and Limitation of Liability

- (a) None of the Agent or the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the 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.
- (d) 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

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Sw. Stockholms tingsrätt*).

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