

**PROSPECTUS REGARDING ADMISSION TO TRADING  
ON THE CORPORATE BOND LIST OF  
NASDAQ STOCKHOLM OF UP TO  
SEK 1,000,000,000**

**SENIOR UNSECURED FLOATING RATE NOTES**

**SAMHÄLLSBYGGNADSBOLAGET I NORDEN AB (PUBL)**



**4 April 2018**

**Arranger and Issuing agent:  
Nordea Bank AB (publ)**

**TÖRNGREN MAGNELL**

## IMPORTANT INFORMATION

On 16 March 2018 Samhällsbyggnadsbolaget i Norden AB (publ) (the “**Company**”) issued senior unsecured floating rate notes under a loan amounting up to a maximum of SEK 1,000,000,000 (the “**Notes**”). This prospectus (the “**Prospectus**”) has been prepared by the Company in order to apply for listing of the issued Notes on the Corporate Bond List of Nasdaq Stockholm. References to the Company in this Prospectus refer to Samhällsbyggnadsbolaget i Norden AB (publ) and its subsidiaries (together with the Company the “**Group**”), depending on the context. Advokatfirman Törngren Magnell KB has been acting as legal advisor and Nordea Bank AB (publ) has been acting as Arranger and Issuing Agent to the Company in connection with the issue of the Notes. Advokatfirman Törngren Magnell KB has been acting as advisor in connection with the admission to trading of the Notes.

This Prospectus has been prepared in accordance with the Swedish Financial Instruments Trading Act (Sw. *Lag (1991:980) om handel med finansiella instrument*) (the “**Trading Act**”) and Commission Regulation (EU) No. 809/2004 of 29 April 2004 implementing the European Parliament and Council Directive 2003/71/EC, as this regulation was amended by Commission Regulation (EC) no. 486/2012. The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) in accordance with the provisions Chapter 2, Sections 25 and 26 of the Trading Act. The SFSA’s approval and registration do not imply that the SFSA guarantees that the information in this Prospectus is correct or complete. The Prospectus will be available via the websites of the SFSA ([www.fi.se](http://www.fi.se)) and the Company ([www.sbbnorden.se](http://www.sbbnorden.se)). Paper copies may be obtained from the Company.

The Prospectus has been prepared solely for listing of the loan constituted by the Notes for trading at Nasdaq Stockholm and does not constitute at any part an offer by the Company for subscription or purchase of the Notes in any jurisdiction.

This Prospectus is governed by Swedish law. The Prospectus may not be distributed in any jurisdiction where such distribution or sale would require any additional prospectus, registration or other measures than those required by Swedish law or otherwise would conflict with regulations in such jurisdiction. Holders of the Prospectus or Noteholders must therefore inform themselves about, and observe any such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933 as applicable at any time, or under any U.S. state securities legislation. Furthermore, the Company has not registered the Notes under the securities legislation of any other country. The Noteholder may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject.

The Prospectus, including the documents incorporated by reference (see section 6 (*Documents incorporated by reference* below)) as well as any supplements to the Prospectus, contains statements regarding the prospects of the Company made by the board of directors. Such statements are based on the board of directors’ knowledge of current circumstances regarding the Company’s business, the market conditions, the current global environment in which the Company operates and other prevailing external factors. The reader should observe that forward-looking statements always are associated with uncertainty. An investment in the Notes is associated with risks and risk taking. Anyone considering investing in the Notes is therefore encouraged to carefully study the Prospectus, in particular section 1 (*Risk Factors*). Each potential investor in the Notes must decide upon the suitability of an investment in the light of their own circumstances.

The figures in this Prospectus have in some cases been rounded off, which means that some tables do not always sum up correctly. Disputes regarding this Prospectus shall be exclusively governed by Swedish law and settled by the Swedish courts exclusively.

Definitions and capitalised terms used in this Prospectus have the same meaning as in the Terms and Conditions in section 7 (*Terms and Conditions*) unless otherwise expressly stated in this Prospectus.

## TABLE OF CONTENTS

1. RISK FACTORS .....	1
2. PERSONS RESPONSIBLE FOR THE PROSPECTUS .....	15
3. THE NOTES IN BRIEF .....	16
4. DESCRIPTION OF THE COMPANY AND ITS OPERATIONS .....	16
5. DOCUMENTS AVAILABLE FOR INSPECTION .....	30
6. DOCUMENTS INCORPORATED BY REFERENCE .....	30
7. TERMS AND CONDITIONS .....	32
8. ADDRESSES .....	71

<b>Agent</b>	means Nordic Trustee & Agency AB (publ), Reg. No. 556882-1879.
<b>Notes</b>	means the senior unsecured floating rate notes with ISIN SE0010985713.
<b>Company</b>	means Samhällsbyggnadsbolaget i Norden AB (publ), Reg. No. 556981-7660.
<b>Euroclear</b>	means Euroclear Sweden AB, Reg. No. 556112-8074.
<b>Group</b>	means the Company together with its subsidiaries, including the Company.
<b>Group Company</b>	means a company within the Group.
<b>Arranger and Issuing Agent</b>	means Nordea Bank AB (publ), Reg. No. 516406-0120.
<b>Nasdaq Stockholm</b>	means the Corporate Bond List on Nasdaq Stockholm AB.
<b>Noteholder</b>	means the person who is registered on a Securities Account as direct registered owner (Sw. <i>ägare</i> ) or nominee (Sw. <i>förvaltare</i> ) with respect to a Note.
<b>Prospectus</b>	means this prospectus, including any documents incorporated by reference.
<b>SBB i Norden</b>	means SBB i Norden AB, Reg. No. 559053-5174.
<b>SEK</b>	means the lawful currency in Sweden.
<b>Swedish Companies Act</b>	means the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i> ).
<b>Terms and Conditions</b>	means the terms and conditions for the Notes.

## 1. RISK FACTORS

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

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

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

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

### 1.1. Risks relating to the Company and the Group

#### Macroeconomic factors

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

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

A higher vacancy ratio and interest rates, increased costs and lower rents could have a materially adverse effect on the Group's operations, earnings and financial position.

#### Geographical risks

The supply and demand for properties and the return on property investments varies between different geographical markets and may develop differently within geographical markets. The Group has a diversified property portfolio with properties in different geographical markets, such as Oskarshamn, Ludvika, Norrköping, Linköping, Borlänge and Skaraborg. In addition, the Group has expanded its operations in Norway and Finland. Certain markets may be more sensitive to fluctuations in demand. If the demand for premises to lease declines in any or all of the geographical markets where properties are



located, it could have a materially adverse effect on the Company's and the Group's operations, result and financial position.

#### Technical risks

Real estate investments involve technical risks. A technical risk can be described as the risk related to the technical operations of the properties, such as the risk of defects relating to the construction of the properties, other latent shortcomings or deficiencies, damages (for instance due to fire or other forces of nature) and environmental hazards. If any technical problems should occur, such occurrence may result in significantly increased costs for the properties which in turn could have a materially adverse effect on the Company's and the Group's financial position and results.

#### Rental income and rental development

In the long term, rental income for commercial properties is affected by, *inter alia*, the supply and demand on the market. The Group's rental income will be affected by the vacancies of the properties, contracted rental levels and that the tenants pay their rents on time.

Decreased occupancy rates and rental rates will, regardless of reason, affect the Group's earnings negatively. The risk for great fluctuations in vacancies and loss of rental income increases, the more single large tenants a real estate company has. There is a risk that the Group's larger tenants do not renew or extend their lease agreements upon expiry, which in the long term could lead to a decrease in rental income and an increase in vacancies.

The Group is also dependent on that the tenants pay their rents on time. The Company's and the Group's earnings and cash flow could be impacted negatively if tenants stop their payments, or otherwise do not fulfil their obligations.

#### Operating and maintenance costs

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

Maintenance costs include costs that are necessary in order to maintain the standard of the properties in the long term. The occurrence of unforeseen and extensive renovation needs on the properties could have a materially adverse effect on the Company's and the Group's earnings and cash flows.

#### Risks relating to the Issuer being dependent on cash flow from its subsidiaries

The Company is the ultimate parent company in the Group and does not conduct any business operations, but merely functions as a holding company for the operating business of the Group, with its business comprising of group management and group-wide functions. The Company's ability to make required payments of interest on its debts and funding is affected by the ability of its subsidiaries to transfer available cash resources to it. The transfer of funds to the Company from its subsidiaries may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiaries. Limitations or restrictions on the transfer of funds between companies within the Group may become more restrictive in the event that the Group experiences difficulties with respect to liquidity and its financial position, which may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Company under the Notes.

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

The knowledge, experience and commitment of the Group's employees are important for the Group's future development. If the Group is unable to retain members of management and other key personnel, or recruit new members of management or other key personnel to replace people who leave the Group, it could have a materially adverse effect on the Company's and the Group's operations, financial position and results.

#### Transactions

The Group's property portfolios may vary over time and acquisition and sale of additional properties and property owning companies are a part of the Group's ordinary business and involve a degree of risk and uncertainty. This may lead to that attractive properties or property owning companies are disposed of whereas less attractive properties or property owning companies may be acquired. If attractive properties or property owning companies were to be disposed of or less attractive properties or property owning companies were to be acquired the market value of the Group's property portfolios could decrease which could have a materially adverse effect on the Company's and the Group's financial position and results.

Selling properties involves uncertainties regarding, *inter alia*, price and the ability to get provision for the properties. Further, the Group may be subject to claims due to the sale or the condition of the sold properties. If the Group is unable to get provision at favourable terms or if claims are directed at the Group, this may lead to delays in projects as well as increased and unexpected costs for the properties and transactions.

The willingness and ability to pay for properties that the Group wishes to sell are affected by several factors. The willingness to pay for properties is dependent on how well the properties are corresponding with the market demands, general price trends on the real estate market, as well as the supply, and cost of, other properties. The ability to pay for properties depends on the general wage trends, employment rate and other factors affecting the economy, such as the ability to make interest deductions and access to financing. These factors may affect potential buyers' willingness and ability to pay for the properties that the Group wishes to sell.

The disposal of existing properties could also have a significant negative effect on the Group's cash flow if such properties are sold at a low price. If the properties are sold to a lower price than expected, this could have a materially adverse effect on the Company's and the Group's financial position and results.

#### Risks relating to acquisitions and company integration

The Group has and is continuously acquiring companies, whereby the Group is exposed to the risk of unexpectedly increased transaction costs or cancelled acquisitions, which could have a negative effect on the Group's financial position and results. Due to the high frequency of acquisitions the Group is exposed to integration risks, related to increased merging costs, organisational costs, risks related to the inability to retain key personnel and unexpected costs related to management of new tenants, unexpected environmental clean-up costs or costs related to unexpected real estate property condition. Such increased costs could have a materially adverse effect on the Company's and the Group's financial position and results.

#### Risks relating to developing and renovating projects

Developing new property as well as renovating existing properties or acquiring properties which are not fully vacant involves risks such as miscalculations of customer demand leading to unsold premises, unleased premises, lower profitability for the project and undesired tied-up capital on the balance sheet. If developing new property, renovating existing properties, the Group is unable to lease vacant properties it has acquired or it turns out less profitable than expected, premises remain unsold and the Group has undesired tied-up capital on the balance sheet, this could have a materially adverse effect on the Company's and the Group's financial position and results.

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

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

#### Risks relating to insurances

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

#### Changes in value of properties

The Group's properties are reported at market value in the Group's consolidated balance sheet and with changes in value in the profit and loss account. Different factors may cause the Group to write down the fair value of its properties, which could have a materially adverse effect on the Group's result and financial position.

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

If the value of the properties decreases, causing the relevant Group Company to write down the value of them, it could result in a number of consequences, such as a breach of the covenants of the loans owed by the relevant Group Company from time to time could occur, which in turn could result in such loans being accelerated prior to maturity and consequently affecting the liquidity of the Group. A material decrease of the market value of the properties would also have a negative impact on the Group's possibilities to dispose of its properties without incurring losses, which in turn could have a materially adverse effect on the Company's and the Group's financial position and results.

#### Operational risk

Operational risk is the risk of incurring losses due to inadequate procedures and/or irregularities. Adequate internal control, administrative system adapted for the purposes, skills development and access to reliable valuation and risk models are a good basis for guaranteeing the operational safety. Deficiencies, inadequate procedures and/or irregularities in the operational security could have a materially adverse effect on the Company's and the Group's operations.

#### Environmental risks

Property management includes environmental risks. According to Swedish legislation, the party that has conducted operations which have caused contamination is responsible for remediation of the contaminated property. If such party is not able to carry out or pay for the remediation of a contaminated property, the party who acquired the property and was aware of the contamination at the time of acquisition or ought to have detected it then shall be liable for remediation. If claims for remediation regarding any of the properties should be put forward to the Group, this could have a materially adverse effect on the Company's and the Group's financial position and results.

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

Furthermore, changed laws, regulations and requirements from authorities on the environmental area could result in increased costs for the Group with respect to sanitation or remediation 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.

#### Counterparty risk

The Group's current and potential customers may find themselves in situations, for example due to financial circumstances, where they cannot pay the agreed rent as it falls due or otherwise abstain from fulfilling their obligations. Further, new developments and renovation projects may be delayed due to suppliers not being able to deliver on time or contractors being unable to finish projects as planned. If the Group's counterparties are unable or unwilling to fulfil their obligations towards the Company or any other Group Company, it could have a materially adverse effect on the Company's and the Group's financial position and results.

In addition, counterparty risks within the Group's financial operations arise, *inter alia*, in the event of investment of excess liquidity, if derivatives are entered into and upon obtaining long-term and short-term credit agreements. If any counterpart risk arises it could have a materially adverse effect on the Company's and the Group's financial position and results.

#### Competition

The Group operates in a competitive industry. The Group's competitiveness is, amongst other things, dependent on its ability to predict future changes in the industry and to quickly adapt to current and future market needs. It may become necessary for the Group to make significant investments, restructuring operations or price reductions in order to adapt to new competition and the Group's competitors may have greater resources and capabilities to better withstand downturns in the market, compete more effectively, retain skilled personnel and react faster to changes in local markets. If the Group has to make significant investments, restructurings or price reductions due to increased competition, it could have a materially adverse effect on the Company's and the Group's financial position and results.

#### Liquidity risk

Liquidity risk is the risk that the liquid assets of the Company are not sufficient to meet its payment obligations at the maturity date or that the Company cannot dispose of securities at a fair price. The Company's payment obligations mainly consist of operating costs as well as interest on debts and amortisation.

The Company will be dependent on available liquidity in order to fulfil its obligations, making investments and paying interest and amortisation costs related to its financing. If the Company does not have sufficient liquidity to fulfil its obligations this could have a materially adverse effect on the Company's business, results of operations and financial position.

### Refinancing could turn out to be impossible or associated with heavily increased costs

Refinancing risk is the risk that financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the Notes or other debt owed by the Company or any other Group Company falls due and needs to be refinanced.

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

There is a risk that lenders will not extend credits to the Group when the loans mature, that there are no alternative credit facilities available or that the credits will be provided at a significantly higher cost than presently. Further, certain loan agreements and note terms contain provisions which may limit the Company's and the Group's ability to incur new debt.

The Company is planning on renegotiating certain loan agreements with its creditors within the next 24-month period. Should the Company not receive equally or more material beneficial terms for such loans than its present terms, it could have a materially adverse effect on the Company's and the Group's financial position.

### Covenants in credit agreements

If a Group Company is in breach of any of its covenants (e.g. financial covenants) in its loan agreements or note terms, it could lead to loans being accelerated, leading to immediate repayment or the creditor taking possession of security. Further, certain loan agreements and note terms contain cross-default provisions which could trigger the acceleration of other payment obligations within the Group. A breach of any covenant could have a materially adverse effect on the Company's and the Group's business, results of operations and financial position.

### Change of control and ownership

Some of the Group's credit agreements and note terms contain change of control provisions that may be triggered by a change of control and/or ownership of the Company or another Group Company, whereby the creditor may have the right to accelerate the loan.

Should change of control provisions in the Group's credit agreements and/or note terms be triggered, which gives the creditor a right to accelerate the loan, it could have a materially adverse effect on the Company's and the Group's business, financial position and result.

### Dividend restrictions

Some of the Group's credit arrangements and note terms contain provisions that restrict the possibility to pay dividends, *for example*, that Group Companies may not pay dividends if a certain debt/equity ratio cannot be ascertained after such payment. There is a risk that such provisions restrict the possibilities to move funds within the Group and thus impede the execution of scheduled renovations of properties. If the Group's properties may not be renovated as scheduled, this could have a materially adverse effect on the Company's and the Group's business, financial position and result.

### Interest-rate risk

Other than equity, the Group's operations are mainly financed by notes issued by various Group Companies and by loans from credit institutions. Interest expenses are therefore one of the Group's main cost items. Interest rate risk is described as the risk that changes in interest rates affect the Group's interest expense. Interest expenses are mainly affected by, besides the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Company's strategy regarding interest rate fixation periods. The Swedish market for interest rates is mainly affected by the expected inflation rate and The Swedish National Bank's (Sw. *Riksbanken*) repurchase rate (Sw.

*reporäntan*). The interest rate risk may lead to changes in the market value and cash flows as well as fluctuations in the Company's result.

For the majority of the Company's outstanding loans, the Company has no outstanding interest rate derivatives or other hedge arrangements other than fixed interest rates on its outstanding loans. Changed interest rates could have a materially adverse effect on the Company's business, financial position and results.

#### Reputational risk

The Company is dependent on its good reputation. The Company's reputation is particularly important in relation to new and current tenants. As an example, operative problems or maintenance problems could damage the Company's reputation, which could lead to difficulties obtaining new or keeping current tenants. The Company may further be negatively exposed in public media, with a risk of not being able to anticipate or respond to such publications. Damage to the Company's reputation could lead to loss of income or loss of growth potential, which could have a materially adverse effect on the Company's and the Group's business, results of operations and financial position.

#### Legal risks

The Group's business is regulated by and must be conducted in accordance with several laws and regulations, (inter alia, the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)), the Swedish Land Code (Sw. *Jordabalken* (1970:994)), the Swedish Environmental Code (Sw. *Miljöbalken* (1998:808)) and the Swedish Planning and Building Act (Sw. *plan- och bygglagen* (2010:900))), detailed development plans, building standards, security regulations, etcetera. There is a risk that the Group's interpretation of applicable laws and regulations may be incorrect or may change in the future. The Company and other Group Companies may also be required to apply for various permits and registrations with municipalities and authorities in order to pursue property development. There is a risk that the Company or any other Group Company will not be granted necessary permits or other decisions for its business activities or that such permits or decisions are appealed, which may result in increased costs and delay in planned development of properties or otherwise have negative impact on the conduct and development of its business.

The Group operates part of its business in Norway and Finland, where domestic law applies on certain agreements and facilities. Similar legal risks may apply to the interpretation of foreign law, requirements for permits and registration in Norway and Finland and the general development of Norwegian and Finnish law.

New laws or regulations, or changes concerning the application of existing laws or regulations that are applicable to the Group's business activities or the tenants' business activities could have a materially adverse effect on the Company's and the Group's business, financial position and earnings.

#### Tax risk factors

Tax due diligence has not been conducted in respect of all acquisitions made and in the tax due diligences conducted some tax issues have been excluded from the scope of the review. In the event that the historical tax position would be challenged this could lead to additional tax costs for the Group Companies should the tax risk not be covered by the guarantees provided in the share purchase agreements entered into. The value of the guarantees provided in the share purchase agreements is also dependent on the financial position of the sellers.

In the event that the Group's interpretation of tax laws, treaties and regulations or their applicability is incorrect, if one or more governmental authorities successfully make negative tax adjustments with regard to an entity of the Company or if the applicable laws, treaties, regulations or governmental interpretations thereof or administrative practice in relation thereto change, including with retroactive effect, the Company's past or current tax positions may be challenged. In the event tax authorities were to succeed with such claims, this could result in an increased tax cost, including tax surcharges and interest

which could have a materially adverse effect on the Company's and the Group's business, financial position and earnings.

Since the laws, treaties and other regulations on taxation, as well as other fiscal charges, have historically been subject to frequent changes, further changes are expected in the future in the jurisdictions where the Group operates, possibly with a retroactive effect. Any such changes could have a materially adverse effect on the Group's tax burden, as well as a negative impact on the Company's and the Group's business, financial position and earnings.

Changes in Swedish tax law could increase the Group's tax burden or otherwise have a material adverse effect on the Company

On 30 March 2017, the Swedish government presented a proposed legislation, (Sw. *Paketeringsutredningen*, (SOU 2017:27)) that, if enacted, is likely to affect the future taxation of real estate investments. The proposal is the result of an investigation conducted by an appointed committee with the purpose to investigate the impact of the possibility to carry out tax exempt sales of "packaged" real estate, and, if deemed necessary, to propose new legislation counteract such transaction. The proposal includes that a change of control of a company where the assets predominately consist of real estate, will entail that the deferred tax liability related to the difference between tax residual value and market value on the property will be triggered and that the property is deemed to be re-acquired at market value. Further, it is proposed that indirect sales of properties are subject to stamp duty. The current stamp duty rate of 4.25% is proposed to be lowered to 2% for legal entities and it is further proposed that stamp duty shall also be triggered in respect of certain property formation procedures. The new legislation is proposed to enter into force on 1 July 2018. If the proposed legislation would be implemented in its current form, this could lead to tax payable upon the Company's future disposal of property owning companies. Considering the difference between the fair market value and tax residual value of the properties held by the Group, this could have a materially adverse effect on the Company's and the Group's business, financial position and earnings.

On 20 June 2017, a memorandum, proposing new interest deduction limitation rules regarding both internal and external interests, was published by the Swedish Ministry of Finance (Sw. *Finansdepartementet*). The proposal contains two alternative general rules for limiting interest deductions in the corporate sector. A general limitation of interest deductions in the corporate sector is firstly proposed as an EBIT rule, where the cap for deduction of net interest expenses is calculated as 35% of tax EBIT and, secondarily, as an EBITDA rule, where the cap for deduction of net interest expenses is calculated as 25% of tax EBITDA. The proposal also includes a temporary limitation, of two or three years, concerning the possibility for legal entities to utilise previous year's tax losses, see further below. The rules are proposed to enter into force on 1 July 2018 and are to be applied for the first time in the fiscal year beginning after 30 June 2018. If the Company's net interest expenses, following any implementation of legislation based on the Swedish Ministry of Finance's proposal, represent a substantial portion in relation to its tax EBIT or tax EBITDA or any other additional restriction on the deductibility of interest expenses is introduced in Sweden, the Company's and Group's tax burden could increase. This could have a material adverse effect on the Company's and Group's business, financial condition and results of operations.

Further, the memorandum also suggested a lowered corporate income tax rate from 22% to 20%. It also suggests amended rules regulating depreciation deductions relating to tenement houses resulting in an additional deduction for depreciations of 10% of the expenses within a five-year period (i.e. 2% of the acquisition value per year) from completion of the house.

On 4 May 2017, the Norwegian Ministry of Finance published a consultation paper with similar content, proposing an extension of the existing interest deduction limitation rules to include external interest paid to an independent lender (external lender) for a borrowing company that is part of a group. Exceptions are proposed to prevent ordinary and real loans from being affected by interest deduction limitation. These exemptions are based upon two alternative balance-based exemption rules for companies in a group.

Since laws, treaties and other regulations on taxation, as well as other fiscal charges, tax surcharges and interest on unpaid taxes, historically have been subject to frequent changes, further changes are expected in the future in the jurisdictions where the Group operates, possibly with a retroactive effect. Any such changes could have a significant impact on the Company's tax burden, as well as a material adverse effect on the Company's business, financial condition and results of operations.

Tax losses could be restricted or cancelled, either as a result of future changes in Swedish tax law or, under the current rules, as a result of a change of control, and the value of tax losses could decrease

As a part of the memorandum published on 20 June 2017, the Swedish Ministry of Finance proposed that tax losses carried forward in a company may at a maximum, be utilised with 50% of the company's taxable profit. Tax losses, that are non-deductible, may be carried forward to subsequent years. These limitations are proposed to be in effect only during a certain period of two or three years in accordance with the following. As regards the EBIT rule, the limitations are proposed to apply to fiscal years beginning after 30 June 2018 and prior to 1 July 2020. As regards the EBITDA rule, the limitations are proposed to apply to fiscal years beginning after 30 June 2018 and prior to 1 July 2021. The proposed limitation applies regardless if a company has net interest expenses or not.

Tax losses may be restricted or forfeited either as a result of future changes in Swedish tax law or, under the current rules, as a result of a change of control where one, or several shareholders that own at least 5% of the votes together acquire shares, during a specific time frame, representing more than 50% of the votes. Such a change of control would forfeit historical tax loss carried forward, to the extent the losses exceed 200% of the acquisition cost for the decisive influence (under a special calculation where contributions and other transfers of value may reduce the purchase price in a certain manner). A forfeiture or restriction on the use of potential tax losses carried forward in the Group may have a significant impact on the Group's tax burden, including a potential imposition of tax surcharges and interest, and could have a material adverse effect on the Group's business, financial condition and results of operations.

No formal tax due diligence or detailed review has been carried out of Norwegian or Finnish tax legislation with respect to the Company's business in Norway and Finland. Some of the abovementioned tax risks may however apply to the business in Norway and Finland.

#### Accounting risks

The Group is affected by current applicable accounting legislation and accounting principles. This means that the Group's accounting, financial reporting and internal control, in the future, may be affected and in need of adaption to new accounting principles and/or changed application of such legislation. This could entail uncertainty regarding the Company's accounting, financial reporting and internal control and could also affect the Group's reported earnings, balance sheet and equity, which could have a materially adverse effect on the Company's and the Group's business, financial position and earnings.

#### Disputes and litigation

The Company faces the risk of litigation and other proceedings in relation to its business. The outcome of any litigation may expose the Company to unexpected costs and losses, reputational and other non-financial consequences and diverting management attention. For example, the outcome of litigation and other proceedings may not correspond to the way the outcome is perceived by the market, and the Company's reputation may be impacted in a way which could have a materially adverse effect on its results of operations and financial position.

## **1.2. Risks relating to the Notes**

#### The value of the Notes depends on a number of economic, financial and political factors

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in Sweden or elsewhere, including factors affecting capital markets generally and the exchange on which the Notes are traded.



### Credit risks

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

### Currency risks

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

### Refinancing risk

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

### Interest-rate risks

The value of the Notes depends on several factors, one of the most significant over time being the level of market interest given that the Notes will carry a floating rate interest. Investments in the Notes involve a risk that the market value of the Notes may be adversely affected by changes in market interest rates.

### Bankruptcy, structural subordination and similar events and risk of priority

The Company has, as part of its financing, incurred debts to credit institutions. Certain real estate and share certificates in the Company's real estate owning subsidiaries as well as certain intra-group loans and insurance policies have in connection therewith been pledged as security. Such secured loans normally constitute a preferential claim on the Company. The Company intends to continue seeking appropriate and profitable financing in which case further pledges, as part of such new loans, may be provided.

The Terms and Conditions of the Notes do not include any restriction on the ability of the Company or any Group Company to incur additional financial indebtedness (except that a Group Company may not enter into Market Loans that are secured or guaranteed by the Company or another Group Company) or grant security over any of its assets (other than indirectly by way of certain financial covenants). Further, the Terms and Conditions do not include a so called "negative pledge" undertaking and hence the Company may grant security to other lenders, including for the benefit of future holders of the Notes or for the benefit of other lenders to the Company or the Group. Such security would not necessarily secure the Notes.

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

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

The Company will rely upon receiving dividends from its subsidiaries, and is thus to a certain extent dependent upon receipt of sufficient income deriving from the operations of such subsidiaries. If such subsidiaries are incapable of distributing sufficient dividends to the Company, this could adversely affect the Company's ability to fulfil its obligations under the Terms and Conditions.

The Notes will constitute structurally subordinated liabilities of the Company's subsidiaries, meaning that creditors of claims against a subsidiary will be entitled to payment out of the assets of such subsidiary before the Company. The subsidiaries are legally separate entities and distinct from the Company, and have no obligation to settle or fulfil the Company's obligations, other than to the extent that follows from security agreements to which the subsidiaries are parties. In event of insolvency of a subsidiary, there is a risk that the Company and its assets are affected by actions of the creditors of a subsidiary. The insolvency of the subsidiaries may affect the financial position of the Company negatively, and have effects for the Company's ability to make payments under the Notes.

The Company's wholly owned subsidiary SBB i Norden AB (the "Subsidiary"), has prior to the Notes issued senior unsecured and guaranteed notes of up to a total maximum amount of SEK 600,000,000, with ISIN SE0009470115 and final maturity date 23 June 2018 (the "2016 Notes"). For as long as the 2016 Notes are outstanding the Notes will be structurally subordinated the 2016 Notes. Hence, the Noteholders of the Notes will be subordinated the noteholders of the 2016 Notes since such noteholders have a direct claim on the Subsidiary. On 2 March 2018, the Company announced that it has repurchased a total of SEK 110,000,000 of the 2016 Notes.

Further, the Subsidiary has prior to the Notes issued senior unsecured and guaranteed notes of up to a total maximum amount of SEK 1,500,000,000, with ISIN SE0009805468 and final maturity date 6 April 2020 (the "2017 Notes"). The Subsidiary initiated a written procedure on 9 January 2018 and the relevant noteholders received a summons to such written procedure from the agent in order to vote for a change of issuer in accordance with the terms and conditions of the 2017 Notes. The written procedure ended on 23 January 2018 and the Subsidiary received a consent from a requisite majority of the noteholders to such change of issuer as set out in the summons. The change of issuer will however not be effective until the agent has received the relevant documents and evidence necessary and until the 2016 Notes have been redeemed in full by the Subsidiary on 23 June 2018 or prior to such date have been repaid in full. Up until the date on which the change of issuer has been effective the Notes will be structurally subordinated the 2017 Notes. Hence, the Noteholders of the Notes will be subordinated the noteholders of the 2017 Notes since such noteholders have a direct claim on the Subsidiary.

#### Voluntary early redemption

Pursuant to the Terms and Conditions, the Company has a right to redeem the Notes at any time from and including the First Call Date to, but excluding, the Final Maturity Date at a price per Note equal to one-hundred-and-one (101) per cent. of the Nominal Amount together with accrued but unpaid interest. For a period of three months prior to the Final Maturity Date, the Company may redeem the Notes at a price per Note equal to one-hundred (100) per cent of the Nominal Amount together with accrued but unpaid interest, provided that the Notes are, in whole or in part, refinanced by the Company taking up a new Market Loan.

The right for the Company to redeem the Notes prior to the Final Maturity Date could affect the market value of the Notes. During a period when the Company is entitled to voluntarily redeem the Notes, the

market value of the Notes will most likely not be significantly higher than the redemption price set out in the Terms and Conditions.

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

#### Noteholder's put options

According to the Terms and Conditions, the Noteholders have the right to request prepayment of their Notes should certain events occur, such as a Listing Failure, Change of Control Event and a De-listing Event (each as defined in the Terms and Conditions). If a Noteholder wishes to exercise its put option following the occurrence of such an event, there is a risk that the Company will be exposed to an increased liquidity risk, i.e. the risk that the Company cannot fulfil its financial obligations due to a shortage of available cash or cash equivalent assets and that such financial obligations can only be fulfilled at a high financing cost or, in a worst-case scenario, not at all.

#### Secondary market and liquidity risk

The Company will apply for listing of the Notes at Nasdaq Stockholm, or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market after the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) approves a prospectus for this purpose. However, there is a risk that the Notes will not be approved for trading. On 25 April 2017, the Swedish Securities Council (Sw. *Aktiemarknadsnämnden* ("AMN")) issued a statement (AMN 2017:16) which concluded that the Company's wholly-owned subsidiary, SBB i Norden AB (publ), had breached applicable take-over rules and good practices on the stock market. The reasons for the statement were that SBB i Norden AB (publ) acquired all outstanding ordinary shares in Aktiebolaget Högkullen ("Högkullen"), and thereby obtained control of Högkullen, without providing a bid of Högkullen's preference shares (at the time listed on Nasdaq First North). The Company subsequently provided a bid of the preference shares in Högkullen, substantially in accordance with applicable takeover rules. However, according to AMN's statement, such bid on the preference shares were to be made by SBB i Norden AB (publ), and not by the Company. The Company and SBB i Norden AB (publ) amended and clarified the take-over bid in compliance with AMN's statement without any further actions from AMN. As part of Nasdaq Stockholm's regular surveillance operations, the Company has received queries from Nasdaq Stockholm due to AMN's statement and the following administration of the take-over bid. On 2 February 2018 Nasdaq announced a ruling from Nasdaq's Disciplinary Committee stating that the Company had not complied with the Nasdaq First North Rulebook and therefore was obliged to pay an administrative fine corresponding to two annual listing fees.

Further, if the Company fails to procure listing in time, investors holding Notes on an investment savings account (Sw. *ISK* or *IS-konto*) will no longer be able to hold the Notes on such account, thus affecting such investor's tax situation.

Even if the Notes are admitted to trading on a regulated market such as Nasdaq Stockholm, there may be a lack of demand for, and trade in, the Notes. This can result in investors being unable to sell their Notes at a desired time or to a return which is comparable to similar investments that have an existing and functioning secondary market. This lack of an efficient market place and a liquid secondary market may adversely affect the market value of the Notes.

#### Euroclear Sweden

The Notes are connected to Euroclear Sweden's account-based system, which means that no physical Notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of the principal amount of the Notes, will be performed within Euroclear Sweden's account-based system. The investors are therefore dependent on the functionality of Euroclear Sweden's account-based system. If, due to any obstacle for Euroclear Sweden, the Company cannot make

a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Consequently, there is a risk that Noteholders receive payment under the Notes later than expected.

#### Meeting of Noteholders

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

#### Noteholders representation

In accordance with the Terms and Conditions, the Agent represents all Noteholders in all matters relating to the Notes. Consequently, a Noteholder is not entitled to bring any actions against the Company relating to the Notes, unless such actions are supported by the required majority pursuant to the Terms and Conditions. However, this does not rule out the possibility that a Noteholder, in certain situations, could bring their own action against the Company, which may affect an acceleration of the Notes or other actions against the Company negatively. To enable the Agent to represent the Noteholders in court, the Noteholders may have to submit written powers of attorney for legal proceedings. If such power of attorney should not be submitted by all Noteholders, the enforcement of the Notes could be adversely affected. Under the Terms and Conditions, the Agent has the right in some cases to make decisions and take measures that bind all Noteholders.

#### Restrictions on the transferability of the Notes

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

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

The Company is required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Notes. Events beyond the Company's control, including changes in the economic and business conditions in which the Company operates, may affect the Company's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Notes, resulting in that the Company has to repay the Noteholders. It is possible that the Company will not have sufficient funds at the time of the repayment to make the required redemption of Notes.

#### Changes in legislation

The Terms and Conditions are based on Swedish law applicable at the date hereof. There is a risk that future amendments of legislation or new legislation or administrative practice, for example as described above in the risk factor "*Legal risks*", could adversely affect the Company's operations, result and financial position. This may in turn affect the Company's ability to make payments under the Notes.

#### Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to

determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## 2. PERSONS RESPONSIBLE FOR THE PROSPECTUS

The Company issued Notes of an initial amount of SEK 250,000,000 on 16 March 2018, based on a resolution taken by the board of directors of the Company on 8 March 2018. This Prospectus has been prepared in connection with the Company applying for admission of trading of the Notes on the Corporate Bond List at Nasdaq Stockholm and in accordance with the Commission Regulation (EC) no 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act.

The board of directors is responsible for the information set out in this Prospectus under the conditions and to the extent set forth under Swedish law. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the board's knowledge, in accordance with the facts and contains no omissions likely to affect its import. The Arranger and Issuing Agent has not verified the content of this Prospectus and is not responsible therefor.

Stockholm, April 2018

**Samhällsbyggnadsbolaget i Norden AB (publ)**

The board of directors

### 3. THE NOTES IN BRIEF

This section contains general description of the Notes. It does not claim to be comprehensive or cover all details of the Notes. Potential investors should therefore carefully consider the Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Notes. The Terms and Conditions for the Notes can be found in section 7 (*Terms and Conditions*). Terms defined in the Terms and Conditions shall have the same meaning in this overview unless otherwise expressly defined or a contrary intention appears.

<b>The Issuer:</b>	Samhällsbyggnadsbolaget i Norden AB (publ), a public limited liability company incorporated under the laws of Sweden with company registration number 556981-7660.
<b>The Notes:</b>	The total aggregate amount of the bond loan is of an amount of up to a maximum of SEK 1,000,000,000. The Issuer may choose not to issue the full amount of Notes on an issue date and may choose to issue the remaining amount of Notes at one or more subsequent dates which will be listed under this Prospectus (during the validity of this Prospectus, i.e. one (1) year from the date of its approval). As of the date of this Prospectus, an initial amount of Notes of SEK 250,000,000 was issued on 16 March 2018. As of the date of this Prospectus, another SEK 750,000,000 Notes may be issued under the Terms and Conditions and listed under this Prospectus.
<b>Number of Notes:</b>	The total number of Notes is 500 of which 125 have been issued as of the date of this Prospectus.
<b>Type of securities:</b>	Senior unsecured floating rate Notes.
<b>ISIN:</b>	SE0010985713.
<b>First Issue Date:</b>	16 March 2018.
<b>Issue Price:</b>	100 per cent.
<b>Interest Rate:</b>	Interest on the Notes will be paid at a floating rate of three-month STIBOR plus 3.65 per cent. per annum. If STIBOR is below zero such rate will be deemed to be zero.
<b>Interest Payment Date:</b>	16 February, 16 May, 16 August and 16 November of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 16 May 2018 and the last Interest Payment Date shall be the relevant Redemption Date.
<b>Nominal Amount:</b>	The nominal amount of each Note is SEK 2,000,000.
<b>Noteholder:</b>	Means the person who is registered on a Securities Account as direct registered owner (Sw. <i>ägare</i> ) or nominee (Sw. <i>förvaltare</i> ) with respect to a Note.
<b>Denomination and Status of the Notes:</b>	The Notes are denominated in SEK and each Note is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with the Terms and Conditions.
<b>Type and rank of debt:</b>	The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among them and at least <i>pari passu</i> with all other direct, general, unconditional, unsubordinated and

unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.

**Final Maturity Date:** 17 May 2021.

**Change of Control Event:** means the occurrence of an event or series of events whereby any person or group of persons acting in concert (i) becomes the owner, directly or indirectly, and have the right to vote as it sees fit for, more than fifty (50) per cent of the total number of shares and votes in the Issuer, or (ii) have the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**Issuer's purchase of Notes:** Subject to applicable law, the Issuer or any Group Company may at any time and at any price purchase Notes on the market or in any other way at prices aligned with current market prices of the Notes (traded or quoted). The Notes held by the Issuer or any Group Company may at such Group Company's discretion be retained or sold or but not cancelled.

**Issuer's Call Option** The Issuer may redeem all, but not some only, of the outstanding Notes any time from and including the First Call Date to, but excluding, the Final Maturity Date at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.

The Issuer may redeem all, but not some only, of the outstanding Notes on any Business Day falling within three (3) months prior to the Final Maturity Date at a price per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, provided that the Notes are, in whole or in part, refinanced by the Issuer taking up a new Market Loan.

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

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

The Issuer shall give notice to the Noteholders and the Agent of any such redemption no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date.



Such notice of redemption is irrevocable and, on the Redemption Date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts on the specified Redemption Date.

**Mandatory repurchase due to Change of Control Event, Listing Failure or a De-listing Event (put option):**

Upon the occurrence of a Change of Control Event, a Listing Failure or a De-listing Event, each Noteholder shall have the right to request that all, or only some, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) Business Days following a notice from the Issuer of the Change of Control Event, a Listing Failure or a De-listing Event. However, such period may not start earlier than upon the occurrence of a Change of Control Event, De-listing Event or a Listing Failure.

If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in such notice. The Redemption Date must fall no later than sixty (60) Business Days after the end of the period referred to above.

If Noteholders representing more than 90 per cent. of the Adjusted Nominal Amount have requested that Notes held by them are repurchased pursuant to this clause, the Issuer shall send a notice to the remaining Noteholders, if any, giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of thirty (30) Business Days from the date such notice is effective. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in such notice. The repurchase date must fall no later than sixty (60) Business Days after the end of the period of thirty (30) Business Days.

The Issuer shall not be required to repurchase any Notes pursuant to this clause, if a third party in connection with the occurrence of a Change of Control Event, a Listing Failure or a De-listing Event offers to purchase the Notes in the manner and on the terms set out in this clause (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.

**Admission to Trading:**

The Issuer intends, and shall use its best efforts, to (i) list the Initial Notes on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admit the Initial Notes to trading on another Regulated Market within thirty (30) calendar days from the First Issue Date, (ii) list any Subsequent Notes on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admit any Subsequent Notes to trading on another Regulated Market within thirty (30) calendar days following the relevant subsequent issue date, provided however not being a date falling prior to the date of listing as set out in (i), and (iii) ensure that the Notes, once admitted to trading on the

relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes and taking into account that if the Notes are listed on another Regulated Market than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm).

**Central Securities  
Depository (the “CSD”):**

The Issuer’s central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act.

**Agent:**

Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it as agent, in accordance with the Terms and Conditions.

**Transferability:**

The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

**Prescription:**

The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date.

The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment.

**Governing Law and  
Jurisdiction:**

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

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

## 4. DESCRIPTION OF THE COMPANY AND ITS OPERATIONS

### 4.1. Company description

Samhällsbyggnadsbolaget i Norden AB (publ), Reg. No. 556981-7660, is a Swedish public limited liability company having its registered office in Stockholm. The Company was founded by Header Compression Sweden Holding AB (publ), Reg. No. 556825-4741 in September 2014 in accordance with Swedish law and was registered with the Swedish Companies Registration Office on 4 September 2014 under the name Effnetplattformen AB (publ).

The Company's operations are mainly regulated by Swedish law, including but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen* (1995:1554)).

The object of the Company's business is to own and manage real property and/or shares, directly or indirectly, and conduct any other activities compatible therewith.

Effnetplattformen AB's (publ) business, together with its subsidiaries, was spun off from the Company in the middle of January 2017. From this time, the Company was a dormant holding company without any business activities. In connection to the spin off, the Company changed its name from Effnetplattformen AB (publ) to Samhällsbyggnadsbolaget i Norden AB (publ).

On the extraordinary general meeting held 16 January 2017 in the Company, it was resolved on an acquisition of all shares in SBB i Norden, Kuststaden Holding AB, Reg. No. 556875-2173, and Sörmlandsporten AB, Reg. No. 556716-3034. The acquisitions were financed with an issue in kind together with a cash component. The acquisition of SBB i Norden was accounted as a reversed take-over. Following the acquisitions, the Company became a pure real estate company and were approved for listing on Nasdaq First North in its current form on 31 March 2017.

### 4.2. Business overview

#### General

The Company owns and manages properties and aims to be one of the leading Nordic real estate companies with focus on community service properties, residential properties and development.

#### Business idea

The Group's business idea is:

- to be a natural and reliable partner to the public sector in the Nordic countries by long-term perspective of owning, managing and developing community properties;
- to acquire, develop, construct and manage residential properties throughout Sweden; and
- to work actively with the aim of creating residential building rights by being a community service builder and long-term partner to municipalities, countries and state authorities.

The Company's operations are mainly carried out by its direct and indirect subsidiaries, among which SBB i Norden has an important role, and the Company is therefore to a large extent dependent on its subsidiaries in order to generate profit and cash flow.

#### Vision, goals and strategy

The Group's vision is to create a high risk-adjusted yield for its shareholders by owning, managing and developing properties.

The Group has a goal to become the best and most efficient long term owner of residential and community service properties in the Nordics. The Group is aiming to hold a property portfolio worth SEK 25bn before the year 2020, which will be achieved through a focused acquisition strategy within the two segments residential properties and community properties. Further, the Group has a goal to renovate 600 apartments annually starting from the second half of the year 2018.

The Group focuses on residential properties and community properties, constituting property types which the management of the Group has long experience of acquiring and developing. Residential properties are acquired in Sweden and shall primarily be located in municipalities with growing population and low unemployment. Community properties are acquired in Sweden and other Nordic countries with stable and tax-financed tenants as counterpart.

Commercial properties are usually not acquired specifically by the Group. However, commercial properties may be acquired as a part of a large stock of residential properties, for instance a ground floor with stores, or if there is a possibility in the long term to convert these to residential properties.

The Group has an elaborated initial acquisition analysis consisting of two main components. One part is the analysis of the location and the long-term prospects for the specific location with focus on population and demography. The other part is the analysis of the current property. These two components in combination have to provide a sufficiently strong investment option for the deeper analysis and due diligence to be performed. Mainly, key factors may consist of diverse assessments of the property's technical condition following a technical control, uncertainty regarding revenues where the parties are not of the same opinion or legal risks, primarily in relation to tax risks. Besides acquisitions, the Group is growing by value creating activities as reconstruction and renovating of existing properties and development of building rights.

#### Property management

The Company owns residential, community service properties and properties with clear development potential. The aim is that the property stock shall consist of 80-90 per cent community service properties with long lasting contracts and residential properties in order to maintain drive, flexibility, safety and cash flow.

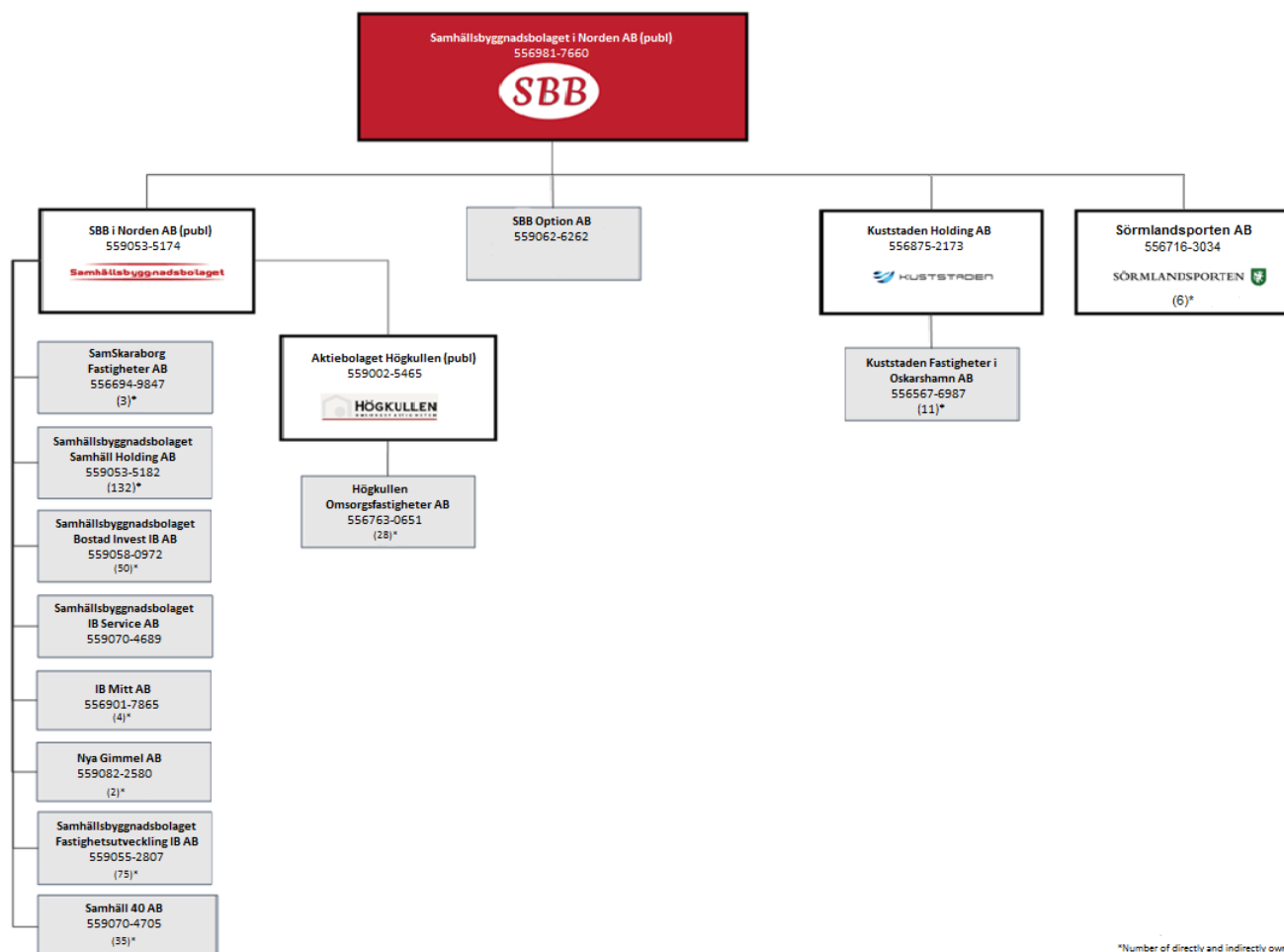
Since the Company's establishment and until March 2018 the Group has outsourced the property management to Hestia Sambygg AB, founded by Ilija Batljan Invest AB and Hestia Fastighetsförvaltning AB in April 2016. Therefore, the Group was enabled to have a wide geographical spread, efficiently managed from a small central administration. As Hestia Sambygg AB, besides technical and commercial property management, handles property caretaking and economic administration the need for central administration in the Company was minimalized. Hence the Company could focus on business development. As of 31 December 2017, the Group has a property portfolio with a book value of SEK 23 bn, consisting of 749 properties. The Company purchased all shares in Hestia Sambygg AB in March 2018, creating an in-house property management organisation and building this competence and functions within the Company. This further supports the Company's goal of becoming the largest player in the Nordic region focusing on community service properties.

### **4.3. Organisational and ownership structure**

#### **4.3.1. Organisational structure**

The Company is the parent company of 345 directly or indirectly owned subsidiaries as of 31 December 2017. The Company has issued shares of class A, shares of class B and preference shares. The Company's shares of class B and preference are listed on Nasdaq First North.

The table below lists the companies within the Group as of the date of this Prospectus.



\*Number of directly and indirectly owned subsidiaries

#### 4.3.2. Ownership structure

The table below lists the major shareholders in the Company as of 31 December 2017. As far as the Company is aware of, there are no direct or indirect significant ownership or control over the Company in addition to the table below.

Shareholder	A-shares	B-shares	Preference shares	Votes, %	Capital, %
Ilija Batljan Invest AB	63,495,701			23.5%	8.6%
Ilija Batljan (directly and indirectly)	45,558,167	1,137,606		16.9%	6.3%
AB Arvid Svensson	26,000,000	20,833,333		10.4%	6.3%
Compactor Fastigheter AB	21,997,977	25,405,525		9.1%	6.4%
Backahill AB	13,919,159	14,605,317		5.7%	3.9%
Michael Cocozza	7,619,484	12,896,000		3.3%	2.8%
Meteva AS		84,929,772		3.1%	11.5%
Investmentaktiebolaget Cyclops	6,349,570	2,666,666		2.5%	1.2%
Assindia AB	4,762,186	3,924,318		1.9%	1.2%
AktFast Förvaltnings AB	4,762,186	3,924,309		1.9%	1.2%
Stiftelsen för Strategisk Forskning		42,651,810		1.6%	5.8%
Highhill Intressenter AB		40,701,897		1.5%	5.5%
Postens Pensionsstiftelse		40,551,810		1.5%	5.5%
Lennart Schuss (indirectly)	2,000,000	14,924,060		1.3%	2.3%
Oscar Lekander	3,174,785	167,700		1.2%	0.5%
Krister Karlsson	3,174,785			1.2%	0.4%
<i>Others</i>	<i>14,782,975</i>	<i>211,031,933</i>	<i>333,205</i>	<i>13.3%</i>	<i>30.6%</i>
<b>Total</b>	<b>217,596,975</b>	<b>520,352,056</b>	<b>333,205</b>	<b>100.0%</b>	<b>100.0%</b>

#### 4.4. The board of directors, management and auditors

The board of directors of the Company consists of seven (7) members. The board of directors and management can be reached at the Company's address Strandvägen 3, SE-114 51 Stockholm, telephone +46 70 674 44 42.

##### 4.4.1. Board of directors

###### **Lennart Schuss**

*Chairman of the board (since 2017)*

**Experience:** Founding partner of Catella Corporate Finance Sweden

**Other significant assignments:** Chairman of Gimmel Fastigheter AB and SBM Holding AB and member of the Genesta advisory board

**Education:** Master of Business Administration (MBA) degree from the Stockholm School of Economics (SSE)

Shareholding in the Company: 2,000,000 A-shares and 14,924,060 B-shares

---

**Ilija Batljan**

*Member of the board, CEO (since 2017)*

**Experience:** CEO and founder of SBB i Norden, Deputy CEO and Head of Business Development at Rikshem AB 2011 -2016

**Other significant assignments:** Chairman of Cryptzone Group AB and Södertörns college, board member of Samhällsbyggnadsbolaget i Norden AB, Phoniro AB, Aktiebolaget Högkullen AB (publ) and Teligent Telecom AB

**Education:** Ph.D. in Social Work (demographics, health care and long term care for the elderly), Stockholm University. BA Economics, Stockholm University

Shareholding in the Company: 109,053,868 A-shares and 1,137,606 B-shares, directly and through companies

---

**Sven-Olof Johansson**

*Member of the board (since 2017)*

**Experience:** CEO and founder of FastPartner AB (publ)

**Other significant assignments:** Chairman of Compactor Fastigheter AB, board member of NCC AB (publ), Autoropa Aktiebolag and STC Interfinans AB

**Education:** Pol.mag. from Stockholm University and Stockholm School of Economics (SSE)

Shareholding in the Company: 21,997,977 A-shares and 25,405,525 B-shares

---

**Seth Lieberman**

*Member of the board (since 2017)*

**Experience:** +30 years of experience from real estate and finance

**Other significant assignments:** Chairman of Stendörren Fastigheter AB, board member of Kvalitena AB (publ)

**Education:** Bachelor of Arts in Economics from Tufts University, USA

Shareholding in the Company: 950,570 B-shares

---

**Anne-Grete Strøm-Erichsen**

*Member of the board (since 2017)*

**Experience:** Partner in Rud Pedersen Public Affairs Norge AS

**Other significant assignments:** Norwegian Minister of Defence 2005-2009, 2012-2013, Norwegian Minister of Health 2009-2012

**Education:** South Dakota School of Mines & Technology 1980-1981, further education in Statistics. Bachelor in Engineering from Bergen Technical School (University of Bergen) 1974

Shareholding in the Company: 0

---

**Hans Runesten**

*Member of the board (since 2014)*

**Experience:** Former CEO and current Chairman of Effnetplattformen AB (publ)

**Other significant assignments:** Chairman of Effnetplattformen AB (publ) and Axxonen Properties AB, board member of Stendörren Fastigheter AB

**Education:** Master of Business Administration (MBA) degree from Stockholm University

Shareholding in the Company: 4,376,946 B-shares

---

**Eva Swartz Grimaldi**

*Member of the board (since 2017)*

**Experience:** Chairman of Norstedts Förlagsgrupp AB, Doberman AB, Apotea AB, Eva Swartz Grimaldi Consulting AB and Doberman Group AB. Board member of Richard Swartz AB

**Other significant assignments:** Chairman of Michael Berglund AB and Efevevmimanisa AB CEO of Bianchi Café & Cycles Sverige AB. Board member of Natur & Kultur Media i Stockholm AB, Sveriges Television Aktiebolag, Bianchi Café & Cycles Stockholm AB, Bianchi Café & Cycles Västerås AB, Axiell Media AB, NOBEL MEDIA AB, Headweb AB, Bokcentralen, förening u.p.a., Norstedts Förlagsgrupp AB and Apotea AB. Deputy board member of Förlagssystem JAL, Aktiebolag and Bokhandelsgruppen i Sverige AB

**Education:** Fil. kand. in Language - Spanish, French and Italian - and in Humanities

Shareholding in the Company: 51,724 B-shares

#### **4.4.2. Management**

**Ilija Batljan** – CEO and (since 2017)

**Lars Thagesson** – Deputy CEO and COO (since 2018)

**Krister Karlsson** – Deputy CEO and Real Estate Manager (since 2016)

**Eva-Lotta Stridh** – CFO (since 2016)

**Rosel Ragnarsson** – Head of Finance (since 2017)

**Oscar Lekander** – Business Development Manager (since 2016)

Several of the board members own, either directly or indirectly, shares in the Company. Ilija Batljan is, directly and indirectly, the largest shareholder in the Company, which could entail a potential conflict of interests. There are no other conflicts of interest between the private interests of the board of members or the management and the Company's interests.

#### **4.4.3. Auditors**

KPMG AB was the Company's auditor during the financial year 2016 and 2015. Gunnar Karlsson, born 1961, was the auditor in charge during the financial year 2016. Ingela Björklund, born 1970, was the auditor in charge during the financial year 2015. Gunnar Karlsson and Ingela Björklund was during the time as auditor's in charge, authorised public accountants and members of FAR SRS, the professional institute for accountants in Sweden. Ernst & Young AB was elected as the Company's auditor at the extraordinary general meeting on 27 April 2017. Ingemar Rindstig, born 1949, is the auditor in charge. Ingemar Rindstig is an authorised public accountant and member of FAR SRS.



## **4.5. Material agreements**

### **4.5.1. Acquisition and transfer agreements**

Since the Company's establishment, a significant number of acquisitions and transfers, mainly of property owned companies and real estates, has been made by the Group. *Inter alia*, the Company has acquired SBB i Norden (through the reversed take-over), Kuststaden Holding AB and Sörmlandsporten AB. SBB i Norden has acquired Aktiebolaget Högkullen (publ) and Gimmel Fastigheter AB.

In acquisition agreements, the seller regularly leaves certain fixed-term guarantees regarding the property and the acquired company. In cases where a company within the Group sells properties and companies, warranty claims may be brought by the buyer regarding any damage that has arisen. Historically, no warranty claims of greater importance have been brought against the Group and no claims of guarantee are currently outstanding. Registered ownership (Sw. *lagfart*) has been received for all properties acquired by the Group. The organisational structure is referred to in section 4.3.1.

### **4.5.2. Commercial leases**

As of 31 December 2017, the Group and its subsidiaries had approximately 14,000 contracted leases, mainly regarding community properties and remaining commercial premises in lower floors and development properties in the form of office/industrial/warehouse. The Group's lease agreements are normally based on the Swedish Property Federation's (Sw. *Fastighetsägarna*) standard agreement and are subject to annual rent adjustments in the form of adjustments to the consumer price index. The agreements usually contain an appendix with specific provisions for the relevant lease and usually a term of three to five years with a notice period of normally nine months.

The lease with the Group's largest rental guest in terms of rental income, DNB Bank ASA ("**DNB**"), corresponds to approximately 12 per cent of the Group's rental income. Under the lease agreement with DNB, a fixed base rent is issued and the rent is subject to annual indexation in accordance with the Norwegian consumer price index. No part of the rental object may be terminated during the term of the agreement. The remaining term of the lease agreement with DNB is approximately 10 years. In addition, DNB is entitled to an extension of the lease agreement over a total of ten years (divided into two prolongations every five year) under market terms.

### **4.5.3. Financial agreements**

The Company aims to have a diversified debt financing in capital markets, in addition to bank financing. The loan agreements entered into by the Group and the Company are based on customary terms. Each loan usually finances an identified stock of real estate, and mortgages in the current properties as well as the stocks or shares in the property-owned companies has been given as collateral. Guarantees from the companies in the respectively financing and securities, e.g. cash accounts, has also been provided. Security agreements and guarantees are in accordance with the customary terms for the industry.

SBB i Norden has on 23 December 2016 issued unsecured but guaranteed notes of SEK 600,000,000 with an interest rate of STIBOR 3m+ 6.25 % due June 2018 (with ISIN SE0009470115). The notes were listed on the corporate bond list of Nasdaq Stockholm on 20 June 2017 under symbol SBBIN 001. Furthermore, SBB i Norden has on 6 April 2017 issued unsecured but guaranteed notes of up to SEK 1,500,000,000 with an interest rate of STIBOR 3m + 6.00 % due April 2020 (with ISIN SE0009805468). As of the date of this Prospectus, notes of an amount of SEK 1,500,000,000 of the total amount has been issued and the notes are listed on the corporate bond list of Nasdaq Stockholm under symbol SBBIN 002. The notes are subject to a condition related to a change of issuer, whereby the Company may become the new issuer in case the noteholders convene a noteholders' meeting and vote in favour for an issuer change. On 23 January 2018, a resolution was made under a written procedure, whereby the noteholders approved the change of issuer. The Company may thus become the issuer of the notes, under the condition that the notes under symbol SBBIN 001 are either repurchased or redeemed in whole, which in any case materialises at the maturity date on 23 June 2018.

The Company has on 24 July 2017 issued hybrid notes of up to SEK 1,000,000,000 with a fixed interest rate of 7.5 % (with ISIN SE0010169508), with an initial amount issued of SEK 300,000,000. The noteholder of the hybrid notes received 35,000,000 warrants free of charge, entitling to subscription of ordinary shares of series B in the Company to a subscription price of SEK 7.40 per share. The hybrid notes were subordinated the Company's outstanding senior unsecured notes and were expected to constitute equity from a rating perspective. In connection to the issue of capital notes, as described below, the hybrid notes were repurchased and cancelled.

The Company has on 29 September 2017 issued perpetual callable capital notes of up to SEK 1,000,000,000 with an interest rate of STIBOR 3m + 7.0 % (with ISIN SE0010414599). As of the date of this Prospectus, capital notes of an amount of SEK 700,000,000 of the total amount have been issued. The capital notes have a similar construction as the repurchased hybrid notes and are subordinated the Company's outstanding senior unsecured notes and are expected to constitute equity from a rating perspective. The capital notes are listed on the corporate bond list of Nasdaq Stockholm under symbol SAMN 001. On 27 March 2018, the Company issued the remaining capital notes of an amount of SEK 300,000,000.

The Company has on 29 January 2018 issued senior unsecured floating rate notes under a loan amounting up to a maximum of SEK 1,000,000,000 with an interest rate of STIBOR 3m + 3.90 % (with ISIN SE0010414581). As of the date of this Prospectus, notes of an amount of SEK 750,000,000 of the total amount have been issued. The notes are listed on the corporate bond list of Nasdaq Stockholm under symbol SAMN 002.

The Company has on 12 February 2018 issued senior unsecured fixed rate notes under a loan amounting to SEK 300,000,000 with a fixed interest rate of 2.90 % (with ISIN SE0010869123). The notes are listed on the corporate bond list of Nasdaq Stockholm under symbol SAMN 003.

#### **4.5.4. Guarantee Agreement**

The Company has guaranteed SBB i Norden's obligations under the terms and conditions and the finance documents in relation thereto in favour of the Agent and the noteholders (being represented by the Agent) issued on 6 April 2017 in the amount of up to SEK 1,500,000,000 and on 23 December 2016 in an amount of SEK 600,000,000. The guarantees constitute unconditional and irrevocable guarantees by the Company of the due and punctual performance of SBB i Norden of all its present and future obligations and liabilities under the finance documents relevant in relation to the aforementioned notes issues.

The guarantee relating to the notes issue on 6 April 2017 will remain in full force until the earlier of (i) the date all amounts payable by SBB i Norden under the finance documents in relation thereto have been unconditionally and irrevocably paid or repaid in full (including but not limited to, interest, fees, indemnities) or (ii) until the date on which a change of issuer occurs, whereby the Company replaces SBB i Norden as issuer and assumes the obligations and liabilities of SBB i Norden AB, under the terms as set out in the terms and conditions relevant to the aforementioned notes issue.

The guarantee relating to the notes issue on 23 December 2016 will remain in full force until the date all amounts payable by SBB i Norden under the finance documents in relation thereto have been unconditionally and irrevocably paid or repaid in full (including but not limited to, interest, fees, indemnities).

#### **4.5.5. Other material agreements**

Since the Company's establishment and until March 2018 the Group had a management agreement with Hestia Sambygg AB, which stated Hestia Sambygg AB as responsible for the management of the Group's property portfolio. The agreement established that Hestia Sambygg AB provides technical, commercial and administrative management, including finance, rental budgeting, planning and maintenance management and operations and operation management. The Group paid a compensation based on cost incurred and margin of seven percent. Hestia Sambygg AB was a part of the Hestia Group until March

2018 when the Company purchased all shares in Hestia Sambygg AB in order to create an in-house property management organisation and build this competence and functions within the Company.

Except for the agreements mentioned above the Company is not a party to any material agreements outside of the ordinary course of business which could result in an entity within the Group having a right or an obligation that could materially affect the Company's ability to meet its obligations under the Notes.

#### **4.6. Conflicts of interest**

The Arranger and Issuing Agent has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and/or the Group in the ordinary course of business. In particular, it should be noted that the Arranger and Issuing Agent might be a lender under certain credit facilities with the Company or with a company within the Group as borrower. Therefore, conflicts of interest may exist or may arise as a result of the Arranger and Issuing Agent having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests. The existence of conflicts of interests for the Arranger and Issuing Agent which investors consider harmful for the Notes could have a negative effect on the market value of the Notes.

Advokatfirman Törngren Magnell KB has acted as legal advisor to the Company in connection with the issue and listing of the Notes, and has no conflicting interests with the Company or the Group.

#### **4.7. Disputes and litigation**

Since the founding of the Company, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Company is aware) which may have, or have had in the history of the Company, a significant effect on the financial position or profitability of the Company and its consolidated subsidiaries as a whole.

#### **4.8. Significant adverse changes and recent events**

There have been no material adverse changes in the Company's financial position or market position since the date of publication of the Company's last audited financial report.

#### **4.9. Costs relating to the listing**

The Company expects total costs in connection with the admission to trading to amount to no more than SEK 150,000.

#### **4.10. Credit ratings**

The independent rating agencies Moody's and Standard & Poor's have rated the Company as follows:

	<b>Moody's</b>	<b>Standard &amp; Poor's</b>
<b>Samhällsbyggnadsbolaget i Norden AB (publ)</b>		
Unsecured notes	B1	BB

The above credit rating agencies are established within the European Union and are registered in accordance with regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies ("the Regulation").

In general, European regulated investors are restricted under Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and

registered under the Regulation. However, this does not apply if the credit rating is issued by a credit rating agency that has been active in the EU before 7 June 2010 and who has applied for registration in accordance with the Regulation unless the application has been rejected.

The rating does not always reflect the risk associated with the notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Credit rating is a way of evaluating credit risk. For more information about credit rating, visit [www.standardandpoors.com](http://www.standardandpoors.com) or [www.moody's.com](http://www.moody's.com).

Below are reference scales of Moody's and Standard & Poor's.

<b>Risk classification*</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>
Highest credit quality	Aaa	AAA
Very high credit quality	Aa	AA
High credit quality	A	A
Good credit quality	Baa	BBB
Speculative (non-investment grade)	Ba	BB
Highly speculative	B	B
Substantial credit risk	Caa	CCC
Very high levels of credit risk	Ca	CC

\* The concept of risk classification differs between credit rating agencies. Within the risk classification categories, the rating agencies may add a (+) or (-) (S&P) or (1), (2) or (3) (Moody's) which indicates the relative strength of each category

#### **4.11. Reference values**

Notes issued under this Prospectus have STIBOR as interest base. STIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). None of the administrators of STIBOR are, as of the date of this Prospectus, part of the register held by the European Securities and Markets Authority ("**ESMA**") in accordance with Article 36 of the Benchmark Regulation.

## 5. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for review during the period of validity of this Prospectus at the Company's head office at Strandvägen 3, SE-114 51 Stockholm.

- the Company's articles of association;
- the agreement governing the Agent's representation of noteholders;
- the annual reports for the Company's subsidiaries, for the financial years 2016 and 2017;
- the certificate of registration of the Company; and
- all documents that have been incorporated by reference in this Prospectus.

Documents incorporated by reference are available at the Company's website, [www.sbbnorden.se](http://www.sbbnorden.se).

## 6. DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus consists of, in addition to this document, the following documents which are incorporated by reference. The annual reports for the financial year 2017 and 2016 below are audited. No other information in this Prospectus is either audited or reviewed.

- [Extract from the Company's consolidated annual report for the financial year 2017, including:](#)
  - the consolidated income statement, page 87;
  - the consolidated balance sheet, pages 88-89;
  - the consolidated statement of changes in equity, page 90;
  - the consolidated cash flow analysis, pages 91-92;
  - the consolidated notes, pages 93-117;
  - the Company's income statement, page 118;
  - the Company's balance sheet, pages 119-120;
  - the Company's statement of changes in equity, page 121;
  - the Company's cash flow analysis, page 122;
  - the Company's notes, pages 123-136;
  - the auditor's report, pages 138-140.
- [Extract from the Company's consolidated annual report for the financial year 2016, including:](#)
  - the consolidated income statement, page 19;
  - the consolidated balance sheet, page 20;
  - the consolidated statement of changes in equity, page 21;
  - the consolidated cash flow analysis, page 22;
  - the Company's income statement, page 23;
  - the Company's balance sheet, pages 24-25;
  - the Company's statement of changes in equity, page 25;
  - the Company's cash flow analysis, page 26;
  - the notes, pages 27-34;
  - the auditor's report, pages 35-36.

The annual reports for the financial year 2017 and 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), interpretations of these standards (IFRICs) issued by the IFRS Interpretations Committee, RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*) and the Swedish Annual Accounts Act.

## 7. TERMS AND CONDITIONS

*Execution version*

**TERMS AND CONDITIONS FOR  
SAMHÄLLSBYGGNADSBOLAGET  
I NORDEN AB (PUBL)**



**UP TO SEK 1,000,000,000**

**SENIOR UNSECURED  
FLOATING RATE NOTES**

**DUE 2021**

**ISIN: SE0010985713**

---

*No action is being taken that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.*

## TABLE OF CONTENTS

1	Definitions and construction .....	3
2	Status of the Notes .....	10
3	Use of proceeds .....	11
4	Conditions for settlement of the Notes .....	11
5	Notes in book-entry form .....	12
6	Right to act on behalf of a Noteholder .....	13
7	Payments in respect of the Notes .....	13
8	Interest .....	14
9	Redemption and Repurchase of the Notes .....	14
10	Information to Noteholders .....	16
11	General Undertakings .....	18
12	Events of Default .....	21
13	Acceleration of the Notes .....	23
14	Distribution of Proceeds following an Acceleration .....	24
15	Decisions by Noteholders .....	25
16	Noteholders' Meeting .....	28
17	Written Procedure .....	28
18	Amendments and Waivers .....	29
19	Appointment and Replacement of the Agent .....	29
20	Appointment and Replacement of the Issuing Agent .....	33
21	Appointment and replacement of the CSD .....	33
22	No Direct Actions by Noteholders .....	34
23	Prescription .....	34
24	Notices and Press releases .....	35
25	Force Majeure and Limitation of Liability .....	36
26	Governing Law and Jurisdiction .....	36



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

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

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

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

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

“**Agent**” means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it as agent, in accordance with these Terms and Conditions.

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

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

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

“**Capital Securities**” means any subordinated debt instruments issued by the Issuer which are, entirely or partly, (i) treated, or intended to be treated, as equity by Moody’s Investor Services Limited and/or Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. or (ii) is 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).

**“Change of Control Event”** means the occurrence of an event or series of events whereby any person or group of persons acting in concert (i) becomes the owner, directly or indirectly, and have the right to vote as it sees fit for, more than fifty (50) per cent of the total number of shares and votes in the Issuer, or (ii) have the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**“Compliance Certificate”** means a certificate, substantially in the form set out in Schedule 2 (Form of Compliance Certificate) and reasonably satisfactory to the Agent, signed by the Issuer certifying:

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it; and
- (b) the ratios and calculations in respect of Interest Coverage Ratio, the Equity Ratio and the Loan to Value.

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

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

**“De-listing Event”** means an event or series of events whereby the shares of the Issuer ceases to be listed on a Regulated Market or any multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

**“EBITDA”** means, in respect of any Test Period, the aggregate of the profit of the Group on a consolidated basis from ordinary activities according to the latest financial report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Costs;
- (c) before taking into account any extraordinary or exceptional items which are not in line with the ordinary course of business;
- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (e) not including any accrued interest owing to any member of the Group;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);

- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (j) after adding back any amount attributable to the amortisation, depreciation, impairment or depletion of assets of members of the Group.

**"Equity Ratio"** means, at any time, the Total Equity of the Group as a percentage of the aggregate value of the Total Assets (in each case calculated in accordance with the Accounting Principles).

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

**"Final Maturity Date"** means the date falling three (3) years and two (2) months after the First Issue Date, being 17 May 2021.

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

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

**"Financial Indebtedness"** means:

- (a) monies borrowed (including under any bank financing);
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument (including Market Loans);
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;

- (f) the marked-to-market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

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

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

**“First Call Date”** means 17 November 2020, being the Business Day falling six (6) months prior to the Final Maturity Date;

**“First Issue Date”** means 16 March 2018.

**“Force Majeure Event”** has the meaning set forth in Clause 25.1.

**“Group”** means the Issuer and each of the Issuer’s direct and indirect subsidiaries from time to time (each a **“Group Company”** and all together the **“Group”**).

**“Initial Notes”** means the Notes issued on the First Issue Date in the total amount of SEK 250,000,000.

**“Insolvent”** means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (Sw. *konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with all or substantially all of its creditors (other than the Noteholders and creditors of secured debt) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (Sw. *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 Notes calculated in accordance with Clauses 8.1 to 8.3.

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

**“Interest Payment Date”** means 16 February, 16 May, 16 August and 16 November of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 16 May 2018 and the last Interest Payment Date shall be the relevant Redemption Date.

**“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 the three (3) month STIBOR plus 3.65 per cent. *per annum*.

**“Interest Receivable”** means, in respect of any relevant Test Period, the amount of interest accrued due to any member of the Group during such Test Period.

**“Issuer”** means Samhällsbyggnadsbolaget i Norden AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556981-7660.

**“Issuing Agent”** means Nordea Bank AB (publ), Reg. No. 516406-0120, SE-105 71 Stockholm, Sweden or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

**“Listing Failure”** means a situation where (i) the Initial Notes have not been listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within four (4) months after the First Issue Date, (ii) any Subsequent Notes have not been listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within thirty (30) calendar days after the relevant subsequent issue date, provided however not being a date falling prior to the date of listing as set out in (i), or (iii) at any time after such listing, the Notes cease to be listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market).

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

- (a) the outstanding Financial Indebtedness (excluding guarantees and similar arrangements as well as any intra group loans and any Capital Securities) less Cash and cash equivalent investments; to
- (b) the aggregate market value of the Properties as set out in the latest quarterly interim report or annual report (as applicable), or, when a Property has been newly acquired, the relevant external market valuations prepared in accordance with Clause 11.11, or, until a valuation is made in accordance with Clause 11.11, the purchase price for such Property.

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

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

**“Net Finance Costs”** means, in respect of any Test Period, the Finance Costs less Interest Receivables and any interest on any intragroup loans, any capitalised interest on loans granted by shareholders and any prepayment fees in respect of borrowings calculated for the Group on a consolidated basis.

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

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

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

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

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

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

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

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

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

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

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

“**STIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period of three (3) months; 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) in case of calculation of default interest, if no rate is available for the relevant period, the rate (rounded upwards to four decimal places), interpolating on a linear basis between (i) the percentage rate per annum displayed on the appropriate page of the Reuters screen as STIBOR fixing for the longest period which is less than the period comparable to the relevant period; and (ii) the percentage rate per annum displayed on the appropriate page of the Reuters screen as STIBOR fixing for the shortest period which exceeds the period comparable to the relevant period; or
- (d) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

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

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

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

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

“**Total Assets**” means, at any time, the total assets of the Group calculated on a consolidated basis in accordance with the Accounting Principles.

“**Total Equity**” means, at any time, the sum of the total equity of the Group calculated on a consolidated basis in accordance with the Accounting Principles, provided that any Capital Securities shall be deemed equity and not debt when calculating the total equity.

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

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

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

## **1.2 Construction**

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



- (a) “assets” includes present and future properties, revenues and rights of every description;
  - (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (c) a “regulation” includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (d) an Event of Default is continuing if it has not been remedied or waived;
  - (e) a provision of law is a reference to that provision as amended or re-enacted; and
  - (f) a time of day is a reference to Stockholm time.
- 1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- 1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.4 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.5 For the purpose of the definition Change of Control Event, “acting in concert” means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer.

## 2 Status of the Notes

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The nominal amount of each Note is SEK 2,000,000 (the “Nominal Amount”). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.



- 2.4 Provided that no Event of Default is continuing or would result from such issue and that none of the financial covenants in Clause 11.12 (*Financial Covenants*) will be breached as a result of the issue, the Issuer may, on one or several occasions, issue Subsequent Notes. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes. The issue price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 1,000,000,000 unless consent from the Noteholders is obtained in accordance with Clause 15.7(a). Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Notes.
- 2.5 The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

### **3 Use of proceeds**

The Issuer shall apply the net proceeds from the issue of the Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Notes towards general corporate purposes.

### **4 Conditions for settlement of the Notes**

- 4.1 The Issuer shall provide to the Agent no later than two (2) Business Days prior to the First Issue Date the documents and other evidence set out in Schedule 1 (*Conditions Precedent for Settlement of Initial Notes*).
- 4.2 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 and 4.4 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify or assess the contents of any such documentation. The documentation and evidence delivered to the Agent pursuant to Clause 4.1 and 4.4 are not reviewed by the Agent from a legal or commercial perspective of the Noteholders.

- 4.3 The Agent shall immediately confirm in writing to the Issuing Agent when the conditions in Clause 4.1 have been fulfilled to the satisfaction of the Agent (acting reasonably), after which the Issuing Agent shall procure the settlement of the Initial Notes and transfer the proceeds to an account as instructed by the Issuer.
- 4.4 The proceeds from any Subsequent Notes shall be transferred to the Issuer once the Issuer has provided to the Agent a (i) Compliance Certificate (whereby the relevant test date for the ratios and calculations in respect of Interest Coverage Ratio, the Equity Ratio and the Loan to Value shall be the most recent Test Date) and (ii) a copy of a resolution of the board of directors or other persons authorised to exercise the relevant powers of the Issuer, approving the issue of Subsequent Notes. The Agent shall immediately confirm in writing to the Issuing Agent when the conditions in this Clause 4.4 have been fulfilled to the satisfaction of the Agent (acting reasonably), after which the Issuing Agent shall procure the settlement of the Subsequent Notes and transfer the proceeds to an account as instructed by the Issuer.

## **5 Notes in book-entry form**

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

## **6 Right to act on behalf of a Noteholder**

- 6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and it may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 6.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

## **7 Payments in respect of the Notes**

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes requested by a Noteholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **8 Interest**

- 8.1 Each Initial Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date. The Interest Rate applicable to the interest paid on the first Interest Payment Date shall be subject to linear interpolation between two (2) months STIBOR and three (3) months STIBOR.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Notcholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) percentage units higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

## **9 Redemption and Repurchase of the Notes**

### **9.1 Redemption at maturity**

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

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

The Issuer or any Group Company may, subject to applicable law, at any time and at any price purchase Notes on the market or in any other way at prices aligned with current market prices of the Notes (traded or quoted). The Notes held by the Issuer or any Group Company may at such Group Company's discretion be retained or sold but not cancelled.

### **9.3 Early redemption (call option)**

- 9.3.1 The Issuer may redeem all, but not some only, of the outstanding Notes any time from and including the First Call Date to, but excluding, the Final Maturity Date at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.

9.3.2 The Issuer may redeem all, but not some only, of the outstanding Notes on any Business Day falling within three (3) months prior to the Final Maturity Date at a price per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, provided that the Notes are, in whole or in part, refinanced by the Issuer taking up a new Market Loan.

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

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

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

9.4.2 The Issuer shall give notice to the Noteholders and the Agent of any redemption pursuant to Clause 9.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date.

9.4.3 A notice of redemption in accordance with Clause 9.4.1 is irrevocable and, on the Redemption Date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts on the specified Redemption Date.

#### **9.5 Mandatory repurchase due to a Change of Control Event, a Listing Failure or a De-listing Event (put option)**

9.5.1 Upon the occurrence of a Change of Control Event, a Listing Failure or a De-listing Event, each Noteholder shall have the right to request that all, or only some, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) Business Days following a notice from the Issuer of the Change of Control Event, a Listing Failure or a De-listing Event pursuant to Clause 10.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of a Change of Control Event, De-listing Event or a Listing Failure.

9.5.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the Record Date on which a person shall be registered as a Noteholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a

person designated by the Issuer, shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The Redemption Date must fall no later than sixty (60) Business Days after the end of the period referred to in Clause 9.5.1.

- 9.5.3 If Noteholders representing more than 90 per cent. of the Adjusted Nominal Amount have requested that Notes held by them are repurchased pursuant to this Clause 9.5, the Issuer shall send a notice to the remaining Noteholders, if any, giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of thirty (30) Business Days from the date such notice is effective. Such notice shall specify the Redemption Date, the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date and also include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to this Clause 9.5.3. The repurchase date must fall no later than sixty (60) Business Days after the end of the period of thirty (30) Business Days referred to in this Clause 9.5.3.
- 9.5.4 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 9.5, if a third party in connection with the occurrence of a Change of Control Event, a Listing Failure or a De-listing Event offers to purchase the Notes in the manner and on the terms set out in this Clause 9.5 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 9.5, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.
- 9.5.5 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.
- 9.5.6 Any Notes repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained or sold but not cancelled.

## **10 Information to Noteholders**

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

- 10.1.1 The Issuer will make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year prepared in accordance with the Accounting Principles, including a profit and loss account, a balance sheet, a cash flow statement and a management commentary or report from the Issuer's board of directors;

- (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year prepared in accordance with the Accounting Principles, its quarterly interim unaudited consolidated reports of the Issuer, and including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website not later than two (2) months after the expiry of each relevant interim period;
- (c) not later than two (2) months after the expiry of each relevant period, the consolidated year-end report (Sw. *bokslutskommuniké*) for such period;
- (d) any other information required by the Swedish Securities Markets Act and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

- 10.1.2 The Issuer shall immediately notify the Agent (and in respect of a Change of Control Event, a Listing Failure or a De-listing Event, also the Noteholders) (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, a Change of Control Event, a Listing Failure, a De-listing Event or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 10.1.3 A notice pursuant to Clause 10.1.2 may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for such a Change of Control Event.
- 10.1.4 When the financial statements and other information are made available to the Noteholders pursuant to Clause 10.1.1, the Issuer shall send copies of such financial statements and other information to the Agent. Together with the financial statements delivered pursuant to Clause 10.1.1, and whenever the Agent in its sole discretion (acting reasonably) so desires, the Issuer shall submit to the Agent a Compliance Certificate and attaching copies of any notices sent to the Regulated Market on which the Notes are admitted to trading.

## **10.2 Information from the Agent**

The Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.



### **10.3 Information among Noteholders**

Upon request by a Noteholder, but subject to applicable laws and regulations and applicable non-disclosure agreements, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes. The Agent may require that the requesting Noteholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed.

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

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

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

## **11 General Undertakings**

### **11.1 Disposals**

The Issuer shall not, and shall ensure that no other Group Company will, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or a substantial part of the assets or operations of the Group where such disposal is reasonably likely to have an adverse effect on the ability of the Issuer to perform its payment obligations under the Finance Documents.

### **11.2 Market Loans**

The Issuer shall ensure that any Market Loan(s) entered into by a Group Company after the date hereof is not secured or guaranteed by the Issuer or any other Group Company, however the relevant issuing Group Company may provide security over its assets for its Market Loan.

### **11.3 Compliance with laws**

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

### **11.4 Dealings with Related Parties**

The Issuer shall, and the Issuer shall ensure that each Group Company will, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding



other Group Companies) and/or any Affiliates of such direct or indirect shareholders at arm's length terms.

#### **11.5 Merger**

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

#### **11.6 Change of Business**

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

#### **11.7 Pari Passu Ranking**

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

#### **11.8 Maintenance of Properties**

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

#### **11.9 Insurance**

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

#### **11.10 Dividends**

The Issuer shall only be allowed to declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital attributable to common shares or preference shares (or any class of its share capital attributable to common shares or preference shares) (a "**Distribution**") provided that:

- (a) the amount of such Distribution does not exceed fifty (50) per cent. of the Group's consolidated net profit for the previous Financial Year; and
- (b) the Equity Ratio is not less than thirty (30) per cent. immediately following such Distribution.

### **11.11 Valuation**

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

### **11.12 Financial Covenants**

11.12.1 The Financial Covenants set out below apply to the Group and shall be tested and measured from the First Issue Date with the first Test Date being 31 March 2018.

- (a) The Interest Coverage Ratio shall not be less than 1.5:1.
- (b) The Equity Ratio shall not be less than twenty (20) per cent. at all times.
- (c) The Loan to Value shall not exceed eighty (80) per cent. at any time.

11.12.2 The financial covenants set out in Clause 11.12.1 above will be tested on each Test Date, and in respect of the Interest Coverage Ratio, for the relevant Test Period.

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

### **11.13 Admission to trading**

The Issuer intends, and shall use its best efforts, to (i) list the Initial Notes on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admit the Initial Notes to trading on another Regulated Market within thirty (30) calendar days from the First Issue Date, (ii) list any Subsequent Notes on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admit any Subsequent Notes to trading on another Regulated Market within thirty (30) calendar days following the relevant subsequent issue date, provided however not being a date falling prior to the date of listing as set out in (i), and (iii) ensure that the Notes, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes and taking into account that if the Notes are listed on another Regulated Market than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm).

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

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

- (a) pay fees to the Agent;

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

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

### **11.15 Undertakings relating to the CSD**

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

## **12 Events of Default**

Each of the events or circumstances set out in Clauses 12.1 to 12.10 is an Event of Default.

### **12.1 Non-Payment**

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

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

### **12.2 Other obligations**

The Issuer or any other person (other than the Agent) does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in Clause 12.1 above and the undertakings set out in Clause 11.13, unless the non-compliance:

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

### **12.3 Misrepresentation**

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

### **12.4 Impossibility or illegality**

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

materially and adversely affects the interests of the Noteholders under the Finance Documents.

## **12.5 Insolvency**

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

## **12.6 Insolvency proceedings**

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

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group, other than a solvent liquidation or reorganisation of any Group Company which is not the Issuer;
- (b) the appointment of a liquidator, receiver, administrative receiver, administrator or other similar officer in respect of any member of the Group or any of its assets, other than in connection with a solvent liquidation or reorganisation of any Group Company which is not the Issuer; or
- (c) enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction, where the amount of such Security exceeds SEK 50,000,000 or the equivalent of any other currency.

12.6.2 Clause 12.6.1 shall not apply to any corporate action, legal proceedings or other procedure or step taken which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement.

## **12.7 Mergers and demergers**

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

## **12.8 Creditors' process**

Any expropriation, attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, which affects any asset of a Group Company having an aggregate value of SEK 50,000,000 and is not discharged within sixty (60) calendar days.

## **12.9 Cross acceleration**

Any Financial Indebtedness of the Issuer or a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity, as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph 12.9 if the aggregate amount of Financial Indebtedness is less than SEK 100,000,000 (or its equivalent in any other currency).

#### **12.10 Cessation of business**

Any Group Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business.

### **13 Acceleration of the Notes**

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

## **14 Distribution of Proceeds following an Acceleration**

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

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the other Finance Documents (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.15, together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Notes.

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

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

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

14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least ten (10) Business Days before the payment is made. Such notice shall specify the Redemption Date, the amounts to be paid and also the Record Date on which a person shall be registered as Noteholder to receive the amounts due on such Redemption Date.

Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

## **15 Decisions by Noteholders**

- 15.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 15.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 15.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 15.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 15.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer shall upon request provide the convening Noteholder(s) with the information available in the debt register kept by the CSD in respect of the Notes in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- 15.5 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 16.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 17.1, in both cases with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.
- 15.6 Only a person who is registered as a Noteholder, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is registered as a Noteholder at the following times:
- (a) on the Business Day specified in the notice pursuant to Clause 16.2, in respect of a Noteholders' Meeting, or



- (b) on the Business Day specified in the communication pursuant to Clause 17.2, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the definition of Adjusted Nominal Amount. Such Business Day specified pursuant to (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

15.7 The following matters shall require the consent of Noteholders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.2:

- (a) the issue of any Subsequent Notes, if the total nominal amount of the Notes exceeds, or if such issue would cause the total nominal amount of the Notes to at any time exceed, SEK 1,000,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
- (c) a change to the Interest Rate or the Nominal Amount;
- (d) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15 (*Decisions by Noteholders*);
- (f) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (g) a mandatory exchange of the Notes for other securities; and
- (h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 13 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

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

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

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



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

- 15.10 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal has not been withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 15.10, the date of request of the second Noteholders' Meeting pursuant to Clause 16.1 or second Written Procedure pursuant to Clause 17.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 15.9 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 15.11 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 15.12 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 15.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.14 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 15.15 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.16 If a decision shall be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company or an Affiliate.

- 15.17 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in Clause 15.6(a) or 15.6(b), as the case may be, and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **16 Noteholders' Meeting**

- 16.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- 16.2 The notice pursuant to Clause 16.1 shall include the (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) day on which a person must be a Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 16.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days after the effective date of the notice.
- 16.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.
- 16.5 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **17 Written Procedure**

- 17.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on the a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 17.2 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be

entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than twenty (20) Business Days from the effective date of communication pursuant to Clause 17.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- 17.3 When consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15.7 and 15.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.7 and 15.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **18 Amendments and Waivers**

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

- (a) such amendment or waiver is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
- (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*).

- 18.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.

- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

- 18.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **19 Appointment and Replacement of the Agent**

### **19.1 Appointment of Agent**

- 19.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding up,

dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 19.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

## **19.2 Duties of the Agent**

- 19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. The Agent is not responsible for the content, due execution, legal validity, perfection or enforceability of the Finance Documents.
- 19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interest of the Noteholders as a group and carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 19.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 19.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 19.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents or (iii) as otherwise agreed between the Issuer and the Agent. Any compensation for damages or other recoveries received by the Agent from

external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of proceeds*).

- 19.2.6 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 19.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 19.2.8 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Notcholders, or taking any action at its own initiative, will not be covered by the Issuer or the Notcholders (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.
- 19.2.9 The Agent shall give a notice to the Notcholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.8.
- 19.2.10 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 Notcholders, 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 Notcholders or any other person.
- 19.2.11 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default has occurred.
- 19.2.12 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.

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

- 19.3.1 The Agent will not be liable to the Notcholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts addressed to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it

is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.

- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 13.1.
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.
- 19.3.6 The Agent is not liable for information provided to the Noteholders by or on behalf of the Issuer or by any other person.

#### **19.4 Replacement of the Agent**

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Notcholder (or Notcholders) 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 Notcholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Notcholders, be given by them jointly), require that a Notcholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Notcholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Notcholders that the Agent be dismissed and a new Agent appointed.
- 19.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may

reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **20 Appointment and Replacement of the Issuing Agent**

- 20.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 20.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.
- 20.3 The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under the Finance Documents.

## **21 Appointment and replacement of the CSD**

- 21.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Notes.
- 21.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does



not have a negative effect on any Noteholder or the listing of the Notes on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act and be authorised as a central securities depository in accordance with the Financial Instruments Account Act.

## **22 No Direct Actions by Noteholders**

- 22.1 A Noteholder may not take any steps whatsoever against the Issuer or any Group Company 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 obligations and liabilities of the Issuer or any such Group Company under the Finance Documents. Such steps may only be taken by the Agent.
- 22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.8, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.9 before a Noteholder may take any action referred to in Clause 22.1.
- 22.3 The provisions of Clause 22.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, a Listing Failure or a De-listing Event (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

## **23 Prescription**

- 23.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.
- 23.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.



## **24 Notices and Press releases**

### **24.1 Notices**

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

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address notified by the Issuer to the Agent from time to time; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Noteholder in order to receive the communication (or if not applicable, the Business Day prior to dispatch), and by either courier delivery or letter for all Noteholders. A notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

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

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

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

### **24.2 Press releases**

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

24.2.2 In addition to Clause 24.2.1, if any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.

## **25 Force Majeure and Limitation of Liability**

- 25.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 25.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 25.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 25.4 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **26 Governing Law and Jurisdiction**

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

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

Place:

Date:

**SAMHÄLLSBYGGNADSBOLAGET I  
NORDEN AB (PUBL)**  
as Issuer

---

Name:

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

Place:

Date:

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

---

Name:

**Schedule 1**  
**Conditions Precedent for Settlement of Initial Notes**

**1 Documents and agreements**

- (a) A copy of the constitutional documents of the Issuer;
- (b) A copy of a resolution of the board of directors or other persons authorised to exercise the relevant powers of the Issuer, approving the transactions contemplated by, the Finance Documents and resolving that it execute, deliver and perform its obligations under the Finance Documents and all related documents to which it is or will become a party;
- (c) a copy of the executed Agency Agreement;
- (d) a copy of the executed Terms and Conditions; and
- (e) a copy of an executed Compliance Certificate, however, only certifying that so far as the Issuer is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it.

**Schedule 2**  
**Form of Compliance Certificate**

To: Nordic Trustee & Agency AB (publ) as Agent  
From: Samhällsbyggnadsbolaget i Norden AB (publ)  
Dated: [•]

Dear Sirs,

**Terms and conditions for Samhällsbyggnadsbolaget i Norden AB (publ) with respect to the up to SEK 1,000,000,000 senior unsecured floating rate notes due 2021 (the "Terms and Conditions")**

- (1) We refer to the Terms and Conditions. This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
- (2) We confirm that:
- (a) The Loan to Value on the Test Date [date], was [•];
  - (b) The Interest Coverage Ratio on the Test Date [date], was [•]; and
  - (c) The Equity Ratio on the Test Date [date], was [•].
- (3) We set out below calculations establishing the figures in paragraph (2):
- [•]
- (4) We confirm that no Event of Default is continuing. *[If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.]*
- (5) [Attached hereto you will find copies of any notices sent to the Regulated Market.]

**SAMHÄLLSBYGGNADSBOLAGET I NORDEN AB (PUBL)**

[•]

[•]

## 8. ADDRESSES

### **Company**

Samhällsbyggnadsbolaget i Norden AB (publ)  
Strandvägen 3  
SE-114 51 Stockholm  
Sweden  
+46 (0)70 674 44 42  
[www.sbbnorden.se](http://www.sbbnorden.se)

### **Agent**

Nordic Trustee & Agency AB (publ)  
Kungsgatan 35  
P.O. Box 7329  
SE-111 56 Stockholm  
Sweden  
+ 46 (0) 8 783 7900  
[www.nordictrustee.com](http://www.nordictrustee.com)

### **Arranger and Issuing Agent**

Nordea Bank AB (publ)  
Smålandsgatan 17  
SE-105 71 Stockholm  
Sweden  
+46 (0) 10 157 10 00  
[www.nordea.se](http://www.nordea.se)

### **Legal Advisor to the Company**

Advokatfirman Törngren Magnell KB  
Västra Trädgårdsgatan 8  
SE-111 53 Stockholm  
Sweden  
+ 46 (0)8 400 283 00  
[www.torngrenmagnell.se](http://www.torngrenmagnell.se)

### **Central Securities Depository**

Euroclear Sweden AB  
Klarabergsviadukten 63  
P.O. Box 191  
SE-101 23 Stockholm  
Sweden  
+ 46 (0)8 402 90 00  
[www.euroclear.eu](http://www.euroclear.eu)