

**COMPACTOR FASTIGHETER AB (PUBL)**

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

**SENIOR UNSECURED CALLABLE FLOATING RATE BONDS  
2017/2020  
ISIN: SE0010442046**

**5 December 2017**

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## Important information

This prospectus (the “**Prospectus**”) has been prepared by Compactor Fastigheter AB (publ) (“**Compactor**”, the “**Company**” or the “**Issuer**”), registration number 556323-4284, in relation to the application for listing of bonds issued under the Company’s SEK 500,000,000 senior unsecured callable floating rate bonds 2017/2020 with ISIN SE0010442046 (the “**Bonds**”), issued on 30 October 2017 (the “**Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”), on the Corporate Bond List at Nasdaq Stockholm AB (“**Nasdaq Stockholm**”). References to the Company or the Group refer in this Prospectus to Compactor Fastigheter AB (publ) and its subsidiaries from time to time. References to “SEK” refer to Swedish Kronor.

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

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

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

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

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

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

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

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

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## **Risk factors**

*Investing in the Bonds involves inherent risks. In this section a number of risk factors are described, both general risks attributable to the Company and its holdings in the subsidiaries, FastPartner AB (publ) (“FastPartner”), Henrik och Sven-Olof Fastigheter AB (“HS Fastigheter”), Tarrt Förvaltning AB, Anbarco Bilinvest AB and H.J Catering AB as well as risks related to these subsidiaries’ operations. The financial performance of the Company and its subsidiaries (the “Group”) and the risks associated with its business are important when making a decision on whether to invest in the Bonds. A number of risk factors and uncertainties may adversely affect the Group. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely affected, which ultimately could affect the Company’s ability to make payments of interest and repayments of principal under the Terms and Conditions. In this section, a number of risk factors are illustrated, namely general risks pertaining to the Group’s business operations and material risks relating to the Bonds as financial instruments. The risks presented in this material are not exhaustive and other risks not discussed herein that the Group is currently not aware of, may also adversely affect the Group, the price of the Bonds and the Company’s ability to service its debt obligations. Further, the risk factors are not ranked in order of importance. Potential investors should consider carefully the information contained in this Prospectus and make an independent evaluation before making an investment decision.*

### **Risks associated with the Group, the industry and the market**

#### *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 residential units and premises, changes of infrastructure, population growth, structure of the population, inflation, interest rates etc. The development of the economy affects the employment rate, which is an essential basis for supply and demand on the rental market and accordingly affects vacancy and rental rates for commercial real estate.

Inflation expectations affect the interest rate and therefore affect the Company’s and the Group’s net income and thus the Company’s holdings. The interest cost of debts to credit institutions and outstanding market loans are one of the Group’s main cost items. In the long term, changes in the interest rate thus have a significant effect on the Company’s result and cash flow. The inflation also affects the Group’s costs. In addition, changes in the interest rate and the inflation also affect the yield requirements and thus the market value of the properties. The Group’s operations are focused towards commercial property in the Stockholm region, and the Company’s holdings are thus especially risk exposed towards macroeconomic factors that affect such property in such geographic areas. If one or several of these factors would develop negatively, it could have a material negative impact on the Company’s operations, profit and financial position.

The larger part of the lease agreements are linked to the Swedish consumer price index (Sw. *konsumentprisindex*), which means that the agreements are adjusted in accordance with the inflation. There is a risk that the Group is not able to negotiate lease agreements that wholly or partially compensate the inflation. If the Group’s costs due to inflation increase more than the Group’s compensation due to index adjustments, it could have a material negative impact on the Company’s operations, profit and financial position.

### *Geographical risks*

Supply and demand regarding real estate, and accordingly the yield on real estate investments differ between different geographical markets and may develop differently within different geographical markets. The Group's operations are mainly focused towards commercial property in the Stockholm region, which represent approximately 75 per cent. of the Group's net rental income.<sup>1</sup> Even if the demand for properties could be deemed to be generally high in this region, there is a risk that the Group's concentration to one specific region with respect to supply render the Group and thus the Company more sensitive to fluctuations that are region specific. Should the demand for real estate decrease in the Stockholm region, it could lead to increased vacancies and lessened possibilities to increase rental rates, which in turn could have a material negative impact on the Company's operations, profit and financial position.

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

The majority of the rental income in the Stockholm region derive from tenants that run service businesses or state or government authorities as well as regional and local authorities. As of 31 December 2016, the Group's contract portfolio of commercial contracts amounted to MSEK 5,511.7 and consisted of 1,743 contracts, corresponding to a contractual yearly income of MSEK 1,246.9. The general duration of the leasing contracts are 4.4 years.<sup>2</sup> As of 31 December 2016, the Group's contract portfolio of yearly rental income for housing amounted to MSEK 23.2 and MSEK 18.4 for parking spaces and garages.<sup>3</sup> The Group is thus exposed to its larger commercial tenants and the payment ability of such tenants.

Should one or more of the Group's most important tenants refrain from renewal or extension of their lease contracts after expiration, it may lead to a decrease in rental income and an increase in vacancies, unless the Group is able to receive corresponding rental income from new tenants. The general risk regarding the rental rates is attributable to the development of the market rates. A long-term negative development of the market rates may have a negative impact on the Group. If any of the above described risks would materialise, it could have a material negative impact on the Group's operations, profit and financial position.

### *Operational and maintenance costs*

Operational costs mainly consist of costs, which are fare related, such as cost for electricity, water and heating. Such operational costs may fluctuate, due to, among other things, changed electricity rates or heating needs, as well as the fact that several of such goods and services only can be attained from a limited amount of providers. To the extent any increase in operational costs cannot be compensated for within the provisions of the tenancy agreements or by rental increases through renegotiations of lease agreements, it may have a negative impact on the Group's operations, profit and financial position.

Maintenance expenses are attributable to measures required to maintain the standard of the property in the long term or to modernise it. To comply with market, governmental or other legal requirements, such expenses may be substantial and unexpected, and as a consequence have a material negative impact on the Group's operations, profit, and financial position.

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<sup>1</sup> The Company's annual report for the financial year 2016, p. 6.

<sup>2</sup> The Company's annual report for the financial year 2016, p. 3.

<sup>3</sup> The Company's annual report for the financial year 2016, p. 3.

*Acquisitions, divestments and other transaction related risks*

Acquisitions of properties are part of the Group's ongoing business. The Group is thus dependent on suitable properties being for sale on terms acceptable to the Group. If the demand is high for such investment objects that the Group focuses on, the number of companies and property portfolios for sale may be limited or only available on terms that are disadvantageous.

Furthermore, competitors may have access to larger financial resources and lower capital costs compared to the Group.

Acquisitions are inherently associated with risks connected to the acquired business. For example, tenants may leave, the book keeping of the acquired business may be deficient and operations may be subject to unforeseen environmental or tax requirements or other technical risks. Furthermore, there is a risk that future business activities or properties that are added through acquisitions do not result in the anticipated positive impact. Any acquired business or properties may in the future have a negative effect on the Group's operations, profit, and financial position.

Acquisitions may also be connected to risks associated with the seller. If a seller is, or ends up in, financial difficulties, the possibility to put forward warranty claims may be limited. Furthermore, such possibility may anyway be limited in time. Some property acquisitions involve estate agents or other parties acting on behalf of another party. There is a risk that disputes arise concerning commission to such intermediaries, that they act outside the scope of their assignment and/or that they provide incorrect information, which could have negative effects for the Group.

In connection with property acquisitions, the Group companies may enter into agreement on acquisition without, in advance, having secured that it have sufficient financing for the acquisition. In such event, there is a risk that the Group does not obtain financing or that it can only find it on terms that are disadvantageous to the Group, which could lead to that the Group, cannot complete the acquisition or otherwise be negatively affected due to disadvantageous terms. The Group's possibilities to divest parts of its property holdings on advantageous terms are dependent on the development on the property and transaction market. Should the Group be required to divest parts of its property holdings to finance its operations, there is a risk that such divestment would not be successful on advantageous terms or possible at all. In the event the Group would be forced to divest all or parts of its property holdings, for example if its creditors would enforce securities, it is likely that the consideration would be less than what the Group would obtain in a voluntary divestment.

In connection with divestments, the Group may grant a respite for payment by promissory notes. If a buyer, against which the Group holds a claim, is or ends up in financial difficulties, the possibility to be reimbursed decrease, especially where there is no security for the claim or where the value of such security has decreased.

During 2016, the subsidiary FastPartner acquired three properties for MSEK 45.6, and divested two properties and parts of another two properties. During 2017, two properties were acquired for MSEK 627.8 and four properties were divested. No claims regarding divested properties or companies have yet been put forward but such claims may occur in the future.

If one or several of the abovementioned factors develop negatively, it could have a material negative impact on the Group's operations, profit, and financial position.

*Risks relating to new zoning plans, building rights and exploitation*

There is a risk that zoning plans (Sw. *detaljplan*) that relate to the planned projects, acquisitions or divestments of the Group will not be adopted by the municipality or that the Group will not receive a final approval of the zoning plans within a prescribed time period. The local municipalities enjoy a planning monopoly (Sw. *planmonopol*) meaning that the municipalities alone may distribute the rights to exploit any land area. Shifts in power and/or the local opinion may hence affect the Group's ability to exploit land.

The Group may also have received too few or too many building rights (Sw. *byggrätter*) under the zoning plans, or building rights in less attractive areas. The price for building rights may fluctuate, and may only be available on terms less favourable to the Group. Furthermore, the Group depends largely on the possibility to exploit land necessary for any property development, acquisitions or divestments of property. There is a risk that the Group may not be able to exploit as much land as necessary to profitably carry out its business. Should any of the above-described risks materialise, it could have a material negative impact on the Group's operations, profit and financial position.

#### *Technical risks*

Technical risks include risks for constructional defects, other concealed defects or deficiencies, damage (for example by fire or other force of nature), contaminations and pollution. Unforeseen costs may occur also for properties of in general good technical standards. If technical problems would occur, it could result in material negative impact on the Group's operations, profit and financial position.

#### *Changes in value and valuation of the properties*

FastPartner conducts a property valuation on half-yearly basis by the appointment of external value rating agencies, currently the agencies Cushman & Wakefield and Newsec. The basis for the valuation is the financial information provided by the property owner and consist of rent, agreement term, any add-ons or discounts, vacancy levels, operation and maintenance costs as well as planned investments and repairs. In addition hereto, the value rating agencies consider property specific geographic and market conditions. The valuation is carried out in order to determine the market price as of the date of the valuation. A cash flow statement is prepared for each property. The valuation report is reviewed by the Company and compared with corresponding internal valuations. Should such valuation be inadequate or otherwise incorrect, it could have a material adverse effect on the Company's operations, profit and financial position.

The value of the Group's properties may also be affected by market specific factors such as yield requirements and cost of capital derived from comparable transactions on the real estate market. Both property specific deteriorations such as lower rental levels and increased vacancy rate and market specific deteriorations such as higher yield requirements may cause the Group to write-down the actual value of its properties, which could have a material negative impact on the Group's operations, profit and financial position.

#### *Competition*

The Company and the Group operates in a competitive market. The future possibilities to compete are, among other things, dependent upon its ability to anticipate future market changes and trends, and to rapidly react on existing and future market needs. Therefore, the Company and the Group may be forced to make costly investments, reorganizations or price reductions to adapt to a new

competitive situation. Increased competition could have a material negative impact on the Company's and the Group's operations, profit and financial position.

#### *Operational risk*

Operational risk is defined as the risk of incurring losses due to inadequate routines regarding, among other things, internal control, appropriate administrative systems, competence development and access to reliable valuation and risk models. Should the Group's internal control and administrative systems adapted for such purposes, skills development or the access to reliable risk evaluation fail, it could have a material negative impact on the Group's operations, profit and financial position.

#### *Insurance*

If the Group is unable to maintain its insurance coverage on terms acceptable to it, or if the Group's future business requirements exceed or fall outside the Group's insurance coverage, or if the Group's provisions for uninsured costs are insufficient to cover any final costs or claims, it could have a material negative impact on the Group's operations, profit and financial position.

#### *Reputational damage*

The Company's and the Group's reputation is central to its business and profit capacity. The Company's and the Group's long-term profitability is based on that tenants and other participants on the real estate market associate the Company and the Group with positive values and good quality.

If, for example, the Company, the Group, any of its senior management or directors (as applicable) were to act in a manner that conflict with the values of the Company and the Group, or if any real estate projects do not meet the expectations of the market, there is a risk that the reputation is damaged. Damage to the reputation could have a material negative impact on the Company's and the Group's operations, profit and financial position.

#### *Environmental risks and requirements*

Investments in real estate have an inherent risk for the acquisition of contaminated or environmentally damaged properties. The Group does not itself conduct any business that requires a permit according to the Environmental Code. However, operations that require permit have previously been conducted at some of the Group's properties and the Group may have tenants who carries out operations that require a permit. The starting point for responsibility with respect to contaminations and other environmental damage is, according to the current environmental regulation, that the business operator, current and present, bears the responsibility. If no business operator can carry out or pay for after-treatment of a property, the acquirer of the property, who at the time of the acquisition knew about or should have discovered the contaminations, is responsible for the after-treatment. This means that claims under certain circumstances can be directed against the Group for cleaning-up or after-treatment regarding the occurrence of, or suspicion of, contamination in the ground, water areas or groundwater. Furthermore, current or previous operations on the properties could incur environmental risks that would materially affect the Group negatively. Should any Group company incur costs with respect to cleaning-up or after-treatment, it could have a negative impact on the Company's and the Group's operations, profit and financial position.



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

The Company's and the Group's business is regulated and affected by a large number of laws and regulations such as the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*), the Swedish Land Code (Sw. *Jordabalken 1970:994*), the Swedish Environmental Code (Sw. *Miljöbalken (1998:808)*), the Swedish Planning and Building Act (Sw. *plan- och bygglagen (2010:900)*), building standards, security regulations, rules regarding permitted construction materials, antiquarian building classification and various forms of cultural labelling, lettings and rent regulations. The Company and the Group conduct its business in accordance with its interpretation of current laws and regulations, and the Group conducts its real estate development in accordance therewith. There is a risk that the Company's and the Group's interpretation of applicable laws and regulations is incorrect or the interpretations may change in the future. In order for the Group's properties to be used and developed as desired, various permits and decisions can be required, including local plans and various kinds of property registrations, which are approved and given by, for instance, municipalities and authorities, and which are resolved on both a political and a civil servant level. There is a risk that the Group in the future is not granted the permits or obtain the decisions necessary to conduct and develop its business in a desired manner. Further, decisions may be appealed and, as a result thereof, delayed significantly and the established decision making practice or the political will or direction in the future may change in an adverse manner for the Group. Changed laws, regulations and requirements from authorities on the environmental area applicable to the Group's or its tenants' operations could result in increased costs for the Group, which could have a material negative impact on the Company's and the Group's operations, profit and financial position.

### *Ability to recruit and retain personnel*

As of 31 December 2016 the Group has 62 employees. The further development of the Company and the Group is highly dependent on the knowledge, experience and commitment of the Company's and the Group's management and other key personnel, especially in relation to know-how on investments and divestments. The future success of the Company and the Group is therefore, amongst other things, dependent on the ability to retain and motivate this key personnel. It also depends on the ability to recruit, retain and develop other qualified senior executives and key employees. Key personnel leaving the Group and the failure of recruiting suitable successors could have material negative impact on the Company's and the Group's operations, profit and financial position.

### *Disputes*

The Group is from time to time involved in disputes related to its business, which could have a significant adverse effect on the Group's business, financial position and results. At present, FastPartner is involved in a dispute with the city of Stockholm concerning the termination of a land lease agreement and compensation and costs in connection therewith. Should FastPartner lose the dispute in full, the maximum negative effect on earnings is MSEK 253, which corresponds to the book value of the property, as well as additional costs for the cleaning up of the leasehold land upon removal.

### *Tax risks*

Taxes represent a significant cost for real estate companies and thus in turn for companies that invest in and administer such real estate companies. According to most of the Group companies' leasing agreements, the tenant is responsible for its share of the property tax (Sw. *fastighetskatt*) (as the tax is added to the rent). There is a risk that changes in property tax and other taxes such as company tax, VAT, rules on tax-exempted divestment of shares and other state or municipal charges, tax refunds and interest deduction as well as corporate taxation would affect the property portfolio of the Group as well as the holdings of the Company negatively. The Company and the Group conducts its business in accordance with the Company's and the Group's interpretation of applicable tax laws and regulations, and in accordance with advice from tax advisors. There is a risk that the Company's and the Group's interpretation may be incorrect or that such regulations change, possibly with retroactive effect. Further future changes in applicable laws and regulations may affect the conditions of the business of the Company and the Group. Tax rates may be changed in the future or other changes of regulations may occur which affect the ownership of real estate properties or real estate transactions.

The Company is currently not subject to any tax audits or tax disputes. However, there is a risk that the Tax Authority may not, in any future audit, share the Company's or the Group's assessment concerning deductibility, depreciation for income tax or possibility of utilization of tax loss carry-forwards. If any of the above described risks would materialise, it could have a material negative impact on the Company's operations, profit and financial position.

#### *Changes in tax laws*

As described, taxes may constitute a significant expense for real estate companies and investors in such companies. Changes to real estate tax and other taxes such as corporate tax, value added tax and other governmental charges could have a negative impact on the Group. There is a risk that changes and/or new tax laws and regulations may lead to unexpected costs or limitations that could have a negative impact on the Group's operations, profit and financial position.

Legislative work is continuously ongoing with regard to laws and regulations and established practice concerning the taxation of companies. On June 20, 2017, the Swedish Government submitted a memorandum for remittance (Sw. *remiss*) including proposals for new tax legislation with regard to, inter alia, interest deduction limitations. In brief, the proposals include the following:

- The current Swedish interest deduction limitation rules are proposed to be amended; interest will not be deductible if a debt relationship has been entered into *exclusively, or as good as exclusively*, for the purpose of obtaining a significant tax benefit for the group. If interest deduction is not limited under this provision, a general interest deduction limitation rule is to be applied.
- A general interest deduction limitation rule in the corporate sector is proposed; interest deduction will be limited in relation to EBIT (35% of EBIT), or, alternatively, in relation to EBITDA (25% of EBITDA).
- A temporary (a two, or alternatively three, year period) limitation of utilization of tax losses carried forward is proposed; tax losses will only be possible to offset against a maximum of 50% of the profits (with a carry forward of any non-utilized tax losses).
- The corporate income tax rate is proposed to be reduced from 22% to 20%.

The proposals have been subject to remittance (Sw. *remiss*), and the remittance phase ended on September 26, 2017. It is currently uncertain if, to what extent and in which form, the proposals will be adopted. The new rules are proposed to enter into force July 1, 2018. For companies with calendar year as financial year, the rules will apply as from January 1, 2019.

Any aforementioned tax regulation amendments could limit the Group's ability to make interest deductions for financial costs. Depending on the Group's capital structure at the time the legislation comes into force, such changes could have a material negative effect on the Group's operations, profit and financial position.

In March 2017, a proposal was put forward regarding new tax legislation applicable to property owners based on an investigation regarding tax-free sale of properties packaged in companies, so called packaging. In brief, the proposal sets out that if a property is divested through packaging (*i.e.* by divesting the company which owns the property), the divested company shall, in certain situations, be deemed to have divested and bought back the property (so called, Sw. *avskattning*). In order to ensure that packaging is treated equally with a direct divestment of a property, the company owning the property shall as a substitute to stamp duty, account for a standard income (Sw. *schablonintäkt*). The proposal further entails that the classification of properties as inventory items or capital assets is abolished within the corporate sector. The proposal's remittance (Sw. *remiss*) phases ended on 14 august 2017. It is currently uncertain to what extent and in which form the proposals will be adopted. The new legislative changes are proposed to enter into force on 1 July 2018, and are proposed to apply on transfers of shares made after 30 June 2018.

#### *Changed accounting rules*

The Company's and the Group's businesses are affected by the accounting rules that, from time to time, are applied in the jurisdictions where the Company and the Group conduct business, including for example IFRS and other international accounting standards. This means that the Group's accounting, financial reporting and internal control, may in the future be affected by and may have to be adapted to changed accounting rules or a changed application of such accounting rules. This might entail uncertainty regarding the Group's accounting, financial reporting and internal control and might affect the Company's accounted profit, balance sheet and equity, which could have a material negative effect on the Company's operations, profit and financial position.

### **Financial risks**

#### *Financial obligations*

The Company finances its business by *inter alia* overdraft facilities in the approximately amount of MSEK 390 and will by the Bonds, as well as any future debts permitted under the Bonds, obtain financing from either credit institutions and/or the capital market. The Company's ability to service its outstanding debts will depend upon, among other things, the Group's future financial and operating performance, which will be affected by *inter alia* prevailing economic conditions and financial, business, regulatory and other factors, some of which are also beyond the Company's control. If the Group's operating income is not sufficient to service its current and future indebtedness, the Group could be forced to take actions such as reducing or delaying business activities, acquisitions and investments which could have a material negative impact on the Company's and the Group's operations, earnings and financial position.

For information about the Group's financing, please see sections following below.

Furthermore, the Company has issued pledges such as participation in Group companies and pledges in stakes and/or shares in Group Companies, for some of its loans. Certain credit or loan agreements may contain provisions or covenants, which, if they are violated, may lead to termination of the agreements or may lead to an enforcement of pledged assets which could have a material negative impact on the Company's and the Group's operations, profit and financial position.

#### *Credit and counterparty risks*

Lower rental income as a consequence of lower rents or lower occupation rates affect the results of the Group negatively. The Company and the Group (as applicable) also carries a credit risk that its counterparties, such as tenants and counterparties in connection with placement of excess liquidity, interest swap arrangements, issuing of buyer promissory notes as well as long and short term credit facility arrangements, or its cooperation partners (such as joint venture parties) cannot fulfil or infringe their obligations vis-à-vis the Company and the Group.

As of the 31 December 2016, the Company carries payable promissory notes amounting to MSEK 21.5,<sup>4</sup> and carries payable promissory notes in relation to its subsidiaries and is thereby exposed to these subsidiaries repayment ability. Should any such counterparty to the Company and/or the Group fail to fulfil their obligations vis-à-vis the Group or the Company, it could have a negative impact on the Company's operations, profit and financial position.

The Group also carries a material risk that any of the property investments within the property portfolio decreases in value. If the rental income or the property value decreases or the Group's counterparties cannot fulfil their financial obligations, including the obligation of any cooperation partners, it could have a negative impact on the Company's and the Group's operations, profit and financial position.

#### *Liquidity risks*

Liquidity risk is the risk that the Group cannot meet its payment obligations at any maturity date without the cost for obtaining cash increasing significantly. As of 31 December 2016, the Group's available liquidity, including short term stock market placements, customer receivables and unutilized bank overdraft facilities, amounts to MSEK 1,247.3,<sup>5</sup> and the Company's available liquidity per 31 December 2016 amounted to MSEK 343.4. If the Company's or the Group's liquidity sources prove not to be sufficient, it could have a material negative impact on the Company's operations, profit and financial position.

#### *Refinancing risks*

Refinancing risk refers to the risk of not being able to obtain financing or only obtain financing on terms that are disadvantageous for the Company or the Group. Property companies often have significant levels of indebtedness. The Company finances its business primarily through equity and interest bearing borrowings, and aim for a balance between long and short term credit facilities. The Group carry various credit facilities issued by major Swedish banks as well as through bond loans, with a total loan frame amount of MSEK 10,568.8 as of 31 December 2016.<sup>6</sup>

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<sup>4</sup> The Company's annual report 2016, p. 42.

<sup>5</sup> The Company's annual report 2016, pp. 10, 42, 44.

<sup>6</sup> The Company's annual report 2016, p. 42.

As of 30 June 2017, FastPartner's loans issued by credit institutions (not including the bond loans) amounted to MSEK 7,989.5. In addition, FastPartner has issued four bond loans in the aggregate of MSEK 2,050.0.<sup>7</sup> The bond loans mature in March 2018, April 2019, September 2019 and September 2020, respectively.<sup>8</sup> Loans incurred by FastPartner and its subsidiaries amounting to MSEK 4,810.9 are classified as short-term facilities, which expire or shall be partly amortised within a twelve months' period.<sup>9</sup>

Discussions on refinancing by transforming the short term facilities to long term facilities of FastPartner and its subsidiaries have taken place during 2017.<sup>10</sup> However, there is a risk that additional capital cannot be obtained, or could only be obtained on terms that are disadvantageous to FastPartner and the Group. Should FastPartner or the Group fail to obtain necessary capital in the future, it could have a negative impact on the Group's and the Company's operations, profit and financial position.

#### *Financial covenants in loan agreements*

The Group's indebtedness, as of 31 December 2016, primarily consists of borrowings from credit institutions (with regard to property investments, construction loans and bank overdraft facilities) in the aggregate amount MSEK 8,518.8.<sup>11</sup> In addition, the bond loans of the subsidiary FastPartner amounts to MSEK 2,050.0 as of 30 June 2017.<sup>12</sup> The borrowings from credit institutions are distributed between different credit institutions, against which the Group has issued certain financial covenants, the bond loans also include covenants which FastPartner is obliged to comply with. There are also information covenants requiring FastPartner to provide its creditors with financial information such as annual and interim financial reports. As per 31 December 2016, all of these covenants were duly complied with.

Should any company within the Group be in breach of any of these covenants in any loan agreement, it could lead to such loan agreement and also other loan agreements (through so called cross default provisions) being terminated with immediate effect or that securities are enforced by the relevant credit institution. That could have a material negative effect on the Company's and the Group's operations, profit and financial position.

#### *Interest rate risks*

Borrowings from credit institutions and interest cost is one of the Group's main cost items. As of the 31 December 2016, the aggregate amount of the Group's interest bearing debts amounted to MSEK 10,568.8.<sup>13</sup> Interest rate risk is defined as the risk that changes in interest rates affect the Group's, and thus the Company's interest costs.

According to the larger part of the credit facility agreements issued to the Group, the interest conditions are adapted to certain creditor margins, within which the Group is free to set its own interest term. As of the 31 December 2016, the portion of loans with a longer interest binding term than one year amounted to 27 per cent. of the total loan portfolio, and the Company intends to

<sup>7</sup> FastPartners interim report of the period 1 January – 30 June 2017, reviewed by auditors, p. 8.

<sup>8</sup> FastPartners interim report of the period 1 January – 30 June 2017, reviewed by auditors, p. 8.

<sup>9</sup> FastPartners interim report of the period 1 January – 30 June 2017, reviewed by auditors, p. 8.

<sup>10</sup> The Company's annual report 2016, pp. 4, 45.

<sup>11</sup> The Company's annual report 2016, p. 42.

<sup>12</sup> FastPartners interim report of the period 1 January – 30 June 2017, reviewed by auditors, p. 8.

<sup>13</sup> The Company's annual report 2016, p. 7.

keep its strategy to use shorter interest binding terms, however should preferable market conditions arise, the Company instead intends to have longer interest binding terms.<sup>14</sup> Moreover, the interest rates may fluctuate more frequently than the Company expects, which could lead to credit facility agreements on less advantageous terms, which could have material negative impact on the Group's operations, profit and financial position.

In a longer perspective, changes in interest rates, irrespective of variable or invariable rates, have a material effect on the Company's profit and cash flow. Interest rate and increased interest costs could have material negative impact on the Group's operations, profit and financial position.

#### *Risk related to use of interest rate derivatives*

The Group currently, and has historically, used an interest rate derivative, in the form of an interest rate swap, as part of the handling of the interest rate risk. Such interest rate derivatives are accounted for in the balance sheet at actual value and the changes in value are accounted for in the income statement. As of the 31 December 2016, the interest rate swap portfolio of the Group currently amounts to MSEK 2,125 and interest rate derivatives and financing with fixed interest rates accounts for approximately 27 per cent. of the Group's total loan portfolio.<sup>15</sup> By the interest rate swap agreements, the Group pays an annual fixed interest rate of approximately 1.4 per cent. excluding margins.

There is a risk that the use of hedging in form of swap agreements is based on a miscalculation of the market, meaning that the swap arrangement, compared to a situation where no hedging is used, only entails costs and no financial benefits or that counterparties cannot fulfil their obligations toward the Company and/or the Group. This could have a negative impact on the Company's and the Group's operations, profit and financial position.

#### *Risks related to financial holdings and other investments*

The Company invests in real estate assets as well as in instruments that are listed and traded on regulated markets or multilateral trading facilities. Such assets and instruments are exposed to price fluctuations. Should such fluctuation have a negative impact on the value of the Company's assets, the credit-worthiness of the Company and the Group may be negatively affected.

The Company is dependent on its subsidiaries and other investments, especially financial holdings, to receive dividend income. If subsidiaries or financial holdings fail to provide dividend income, the Company's cash flow could be negatively affected, which could have material negative impact on the Company's operations, profit and financial position.

The Company does not have the full control over the development, investment, sales of assets and management of companies in which the Company invests. If these companies would develop negatively or in a way that the Company's investments decrease in value, it could have material negative impact on the Company's operations, profit and financial position.

#### *Risks related to trading*

Within the Company, trading in listed shares is carried out. The trading entails calculated risk in order to receive a high return. A limited number of people within the Company carries out the trading. Should the individuals responsible for the trading commit errors, or should the Company's

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<sup>14</sup> The Company's annual report 2016, p. 6.

<sup>15</sup> The Company's annual report 2016, p. 44.

internal control fail, there is a risk that this will have a material negative impact on the Company's operations, profit and financial position.

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

#### *Credit risks*

An investment in the Bonds carries a credit risk relating to the Company and the Group. The bondholder's ability to receive payment under the Terms and Conditions is therefore dependent upon the Company's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's operations and financial position are in turn affected by several factors, a number of which have been discussed above. An increased credit risk may cause the market to charge the Bonds a higher risk premium which would have an adverse effect on the market value of the Bonds.

Another aspect of the credit risk is that any deterioration in the financial position of the Company may entail a lower credit-worthiness and the possibility for the Company to receive financing may be impaired.

#### *Refinancing risks*

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

#### *Interest rate risks*

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

#### *Liquidity risks*

The Company has undertaken to ensure that the Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another regulated market, within 12 months after the issue date of the Bonds. Furthermore, each bondholder has a put option in relation to its Bonds if the Bonds are not listed within 120 calendar days, after the issue date of the Bonds. There is a risk that the Bonds will not be admitted to trading. Further, even if securities, including the Bonds, are admitted to trading on a regulated market, there is not always active trading in the securities, so there is a risk that there will not be a liquid market for trading in the Bonds or that this market will not be maintained even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be

indicative compared to the market price of the Bonds if they are admitted for trading on Nasdaq Stockholm or another regulated market.

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

*The market price of the Bonds may be volatile*

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

*Unsecured obligations and priority rights*

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Company. This means that in the event of the liquidation, bankruptcy, company reorganisation (Sw. *företagsrekonstruktion*) or winding-up of the Company, the bondholders normally receive payment after any priority creditors have been paid in full. Each bondholder should be aware that by investing in the Bonds, it risks losing all, or a part of, its investment in the event of for example the Company's liquidation, bankruptcy or company reconstruction.

*Dependence on subsidiaries*

A significant part of the Company's assets and revenues relate to the Company's subsidiaries and interest companies. Accordingly, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to enable it to make payments under the Bonds. The Company's subsidiaries are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Company's subsidiaries to make such payments to the Company is subject to, among other things, the availability of funds. Should the Company not receive sufficient income from its subsidiaries, the bondholder's ability to receive payment under the Terms and Conditions may be adversely affected.

*Structural subordination and insolvency of subsidiaries*

In the event of insolvency, liquidation or a similar event relating to one of the Company's subsidiaries, all creditors of such company would be entitled to payment in full out of the assets of such company before the Company, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries. There is a risk that the Group and its assets would not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise.



In addition, defaults by, or the insolvency of, certain subsidiaries of the Company may result in the obligation of the Company to make payments under financial or performance guarantees in respect of such companies' obligations or the occurrence of cross defaults on certain borrowings of the Group and its associated companies.

#### *Financing and priority rights*

The Terms and Conditions do not include a so called "negative pledge" undertaking and include limited restrictions on the ability to incur financial indebtedness. According to the Terms and Conditions, the Company shall not and shall ensure that no subsidiary (other than FastPartner and its subsidiaries) issue any market loans with final redemption dates or where applicable, early redemption dates or instalment dates which occur before the final redemption date of the Bonds. Furthermore, The Company shall not and shall ensure that no subsidiary (other than FastPartner and its subsidiaries) issue any secured market loans (which means any market loan for which the Company or any subsidiary (other than FastPartner and its subsidiaries) has provided any guarantee or security, other than secured market loans incurred in order to fully refinance the Bonds and provided further that such financial indebtedness is subject to an escrow arrangement up until the redemption of the Bonds. Accordingly, any security or guarantee provided, not prohibited under the Terms and Conditions, would not secure the Bonds.

The Group has, as part of its financing, incurred debts to credit institutions and market loans such as bond financing. Security has *inter alia* been provided in relation to loans from credit institutions. The Group intends to continue seeking appropriate and profitable financing and may in connection thereto grant security or guarantees for such financing. Such secured or guaranteed financing may negatively affect the Bonds. In the event of bankruptcy, reorganisation or winding-up of the Company, the bondholders will be subordinated in right of payment out of the assets being subject to security and/or guarantee.

In addition, if any such third party financier holding security and/or guarantee provided by the Company or the Group would enforce such security or guarantee due to a default by any Group company under the relevant finance documents, such enforcement could have a material adverse effect on the Company's assets, operations and ultimately the position of the bondholders.

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

As stipulated in the Terms and Conditions, the Company has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the bondholders have the right to receive an early redemption amount (together with accrued interest) (Make Whole Price if before the first call date and Call Option Price if on or after the first call date) which exceeds the nominal amount or, after a certain time, at their nominal amount by issuance of a new market loan. However, there is a risk that the market value of the Bonds, at the time of the redemption, is higher than the redemption amount and/or that it may not be possible for bondholders to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds. It is also a risk, in the event of redemption by issuance of a new market loan, that any bondholder is not able to reinvest the redemption proceeds in the new market loan since such new market loan is subject to the Company's and the Issuing Agent's discretionary allocation.

According to the Terms and Conditions, the Bonds are subject to repurchase at the option of each bondholder (put options) upon a Change of Control Event, Bond De-listing Event or a Listing Failure (as defined in the Terms and Conditions). There is, however, a risk that the Company will not have sufficient funds at the time of such repurchase to make the required repurchase of the Bonds which could adversely affect the Company and thus all bondholders and not only those that choose to exercise the option.

*No action against the Company and bondholders' representation*

In accordance with the Terms and Conditions, the agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Company and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, the possibility that a bondholder, in certain situations, could bring its own action against the Company (in breach of the Terms and Conditions) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against the Company. To enable the agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

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

*Bondholders' meetings*

The Terms and Conditions include certain provisions regarding Bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. Consequently, the actions of the majority in such matters could impact a bondholder's rights in a manner that would be undesirable for some of the bondholders.

*Restrictions on the transferability of the Bonds*

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws. Subject to certain exemptions, a bondholder may not offer or sell the Bonds in the United States. The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country's securities laws. Each potential investor should read the information in this material, the Terms and Conditions and the listing prospectus prepared by the Company in relation to the Bonds for further information about the transfer restrictions that apply to the Bonds. It is each bondholder's obligation to ensure that its offers and sales of Bonds comply with all applicable securities laws.

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

The Bonds will be affiliated to Euroclear Sweden AB's ("Euroclear") account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds will be carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Bondholders are therefore dependent upon the functionality of Euroclear's account-based system.

#### *Currency risks*

The Bonds will be denominated and payable in SEK. If bondholders holding Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the SEK relative to the currency by reference to which bondholders measure the return on their investments. This could decrease the effective yield of the Bonds to below their stated coupon rates and could result in a loss to bondholders when the return on the Bonds is translated into the currency by reference to which the bondholders measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, there is a risk that bondholders receive less interest or principal than expected, or no interest or principal at all.

#### *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 Bonds. 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 of 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 Bonds, resulting in that the Company has to repay the bondholders. It is possible that the Company will not have sufficient funds at the time of the repayment to make the required redemption of the Bonds.

#### *Amended or new legislation*

The Terms and Conditions are based on Swedish law in force at the issue date of the Bonds. The impact of any possible future legislative measures or changes or modifications to administrative practices may give rise to risks which are not possible to foresee. Amended or new legislation and administrative practices may adversely affect the bondholder's ability to receive payment under the Terms and Conditions.

#### *Conflict of interests*

The 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 the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the issuing agent having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

### **Responsible for the information in the Prospectus**

The Company issued the Bonds on 30 October 2017. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Bonds on Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council and the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act, each as amended.

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

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

Stockholm on 5 December 2017

**COMPACTOR FASTIGHETER AB (PUBL)**

*The board of directors*

## The Bonds in brief

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

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

## Summary of the Bonds

The Bonds are debt instruments (Sw. *skuldförbindelser*), intended for public market trading, which confirm that each Holder has a claim against the Company. The Company resolved to issue the Bonds on 16 October 2017. The Net Proceeds from the Bond Issue shall be used towards general corporate purposes, including acquisitions of shares and real estate assets. The Issue Date for the Bonds was 30 October 2017 and the Bonds will mature on 30 October 2020.

The aggregate nominal amount of the Bonds is SEK 500,000,000 represented by Bonds denominated in SEK with ISIN SE0010442046, each with a Nominal Amount of SEK 1,000,000. The Bonds were issued at a price equal to 100 per cent. of the Nominal Amount. As of the date of this Prospectus, the amount of SEK 500,000,000 has been issued.

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

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

The Company shall redeem all outstanding Bonds at 100 per cent. of the Nominal Amount together with accrued but unpaid interest on the Final Redemption Date, unless previously redeemed or repurchased in accordance with Clause 10 “Redemption and repurchase of the Bonds” or terminated in accordance with Clause 12 “Termination of the Bonds” of the Terms and Conditions.

The Company may choose to redeem all, but not only some, of the Bonds in full (i) on any Business Day prior to the First Call Date, at an amount equal to the Make Whole Price together with accrued but unpaid interest or (ii) on any Business Day falling on or after the First Call Date, but before the Final Redemption Date, at the applicable Call Option Price together with accrued but unpaid interest (see further Clause 10.3 “Early voluntary redemption by the Issuer (call option)” of the Terms and Conditions).

Upon a Change of Control Event, a Bond De-listing Event or Listing Failure occurring, each Holder has a right of pre-payment (put option) of its Bonds at a price of 101 per cent. of the Nominal Amount together with accrued but unpaid interest (see further Clause 10.4 “*Mandatory repurchase due to a Change of Control Event, Bond De-listing Event or Listing Failure (put option)*” of the Terms and Conditions).

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

The Bonds bear interest from, but excluding, the Issue Date up to, and including, the Relevant Redemption Date at a floating rate of STIBOR (3 months) + 400 basis points *per annum*. Interest shall never be calculated as being an amount less than zero. Interest is paid quarterly in arrears on each Interest Payment Date and is calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Payment Dates are 30 January, 30 April, 30 July and 30 October each year (with the first Interest Payment Date on 30 January 2018 and the last Interest Payment Date being the Final Redemption Date). The right to receive payment of interest is time-barred and becomes void three years from the relevant due date for payment.

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

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

Each of the Company, the Agent and Holders representing at least ten per cent. of the Adjusted Nominal Amount, may request that a Holders’ Meeting is convened (see further Clause 14 “*Decisions by holders*” and clause 15 “*Holders’ Meeting*” of the Terms and Conditions) or request a Written Procedure (see further Clause 16 “*Written Procedure*” of the Terms and Conditions). Such Holders’ Meeting or Written Procedure may, upon votes representing a relevant majority of Holders eligible for voting, cause resolutions to be validly passed and binding on all Holders.

If the Bonds have been duly declared due and payable due to an Event of Default, the available funds shall *firstly* be applied towards payment pro rata of all costs and expenses incurred by and any remuneration payable to the Agent under the Terms and Conditions and the Agent Agreement, other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Holders' rights, any non-reimbursed costs incurred by the Agent for external experts, any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure, *secondly* in or towards payment pro rata of accrued but unpaid Interest under the Bonds, *thirdly* in or towards payment pro rata of any unpaid principal under the Bonds and *fourthly* in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Terms and Conditions. Any excess funds shall be transferred to the Company.

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

To simplify trading in the Bonds, the Company intends to apply for listing of the Bonds on Nasdaq Stockholm in connection with the Swedish Financial Supervisory Authority's approval of this Prospectus. The number of Bonds being admitted to trading if the application is approved by Nasdaq Stockholm is 500. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is expected to be on or about 19 December 2017. The fact that an application regarding listing of the Bonds on Nasdaq Stockholm has been submitted does not mean that the application will be approved. The total expenses of the admission to trading of the Bonds are estimated to amount to SEK 200,000.

The Terms and Conditions include an undertaking for the Company to ensure that the Bonds are listed on Nasdaq Stockholm. According to Clause 11.2 of the Terms and Conditions, the Company shall ensure that Bonds issued in the Bond Issue are listed on Nasdaq Stockholm within twelve months after the Issue Date. According to Clause 25 of the Terms and Conditions, each Holder has a put option should the Bonds not have been listed within one hundred and twenty days from the Issue Date.

## The Company and its operations

### Introduction

Compactor Fastigheter AB (publ) is a public limited liability company registered in Sweden with registration number 556323-4284, having its registered address at Box 55625, 102 14 Stockholm, Sweden. The Company was formed on 1 March 1988 and registered with the Swedish Companies Registration Office on 18 April 1988. The Company is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

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

According to its articles of association, the Company's share capital shall be no less than SEK 500,000 and not more than SEK 2,000,000 divided into no less than 1,000 shares and not more than 4,000 shares. The Company's current share capital amounts to SEK 500,000 divided among 1,000 ordinary shares. The shares are denominated in SEK.

All of the shares in the Company is owned by Sven-Olof Johansson, who is also the Chairman of the Board of Directors of the Company.

The shareholders' influence is exercised through decisions made at general meetings of the Company. To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Company.

### Business and operations

The Company invests mainly in real estate related assets, and has an investment portfolio mainly focused on real property but also invests in other assets. The investment portfolio related to real property assets includes the owning and managing of properties in Sweden through the subsidiary FastPartner (69.2 per cent. ownership as of 31 December 2016<sup>16</sup>) listed on Nasdaq Stockholm and the owning of properties, indirect investments in properties and other investments through the wholly-owned subsidiary HS Fastigheter. The part of the investment portfolio focused on other assets includes the owning of shares in Tarrt Förvaltning AB (60.0 per cent. ownership as of 31 December 2016<sup>17</sup>), which in turn owns and manages shares and other investments, as well as various investments in liquid listed and unlisted shares in order to capitalize on market opportunities and manage excess liquidity. The other subsidiaries of the Company are Anbarco Bilinvest AB and H.J Catering AB, both which are wholly owned by the Company.

The Company is the centre of Sven-Olof Johansson's investments with FastPartner as a consolidated subsidiary and substantial assets in other investments and subsidiaries. The Company does not generate revenues itself, and the largest source of income is dividends from its subsidiary FastPartner, which amounted to SEK 143.4 million as of 31 December 2016.<sup>18</sup> Accordingly, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in its entities. Compactor has received a stable amount of dividends which has grown consecutively during the last decade. As of 31 December 2016, the Group owned 215 properties

<sup>16</sup> The Company's annual report 2016, p. 32.

<sup>17</sup> The Company's annual report 2016, p. 32.

<sup>18</sup> The Company's annual report 2016, p. 8.



amounting to a book value of SEK 17,604.2 million and a lettable area of 1,419,176 square meters.<sup>19</sup>

#### *Investments in FastPartner*

FastPartner is a Swedish real estate company founded in 1987 and was first listed on Stockholms Fondbörs O-lista in 1994 and thereafter listed on Nasdaq Stockholm since 2013 and listed on Nasdaq Stockholm mid cap as of 30 June 2017. FastPartner is focused on commercial properties and approximately 75 per cent. of the lease income derives from properties located in the Stockholm region,<sup>20</sup> where FastPartner has an extensive experience and expertise. The second largest area in terms of rental value is Gävle with 8 per cent. followed by Greater Gothenburg (6 per cent.), Norrköping (5 per cent.) and Other (6 per cent.). As of 30 June 2017, FastPartner had a portfolio of 193 properties valued at SEK 17.5 billion.<sup>21</sup> The largest segment within the portfolio is industry and logistics (47.9 per cent.) followed by office (32.4 per cent.), retail (9.4 per cent.), residential (2.3 per cent.) and hotel and other (8.0 per cent.).<sup>22</sup> FastPartner aims at maintaining its focus on Greater Stockholm, where the majority of FastPartner's future investments will be conducted.

As of 31 December 2016, FastPartner's largest tenant was B&B Tools occupying 81,400 square metres, corresponding to 5.8 per cent. of the total lettable area.<sup>23</sup> Other significant tenants are Sandvik, Mekonomen, LGT Logistic and Nasdaq OMX. Together, these five tenants occupy 15.6 per cent. of the lettable area.<sup>24</sup>

#### *Investments in HS Fastigheter*

HS Fastigheter is a wholly owned subsidiary of the Company focused on owning and managing investment properties. As of 31 December 2016, the company owned 22 investment properties with a value of SEK 203.4 million. The company had interest-bearing bank debt of SEK 98.6 million and cash and cash equivalents of SEK 9.9 million resulting in a net debt of SEK 88.7 million. HS Fastigheter also had debt to the Company amounting to SEK 26.4 million and to Sven-Olof Johansson amounting to SEK 71,0 million.

#### *Investments in associated companies*

The Company has stakes in several associated companies, whereof the more material holdings include Fast Real AB (50.0 per cent. of the capital and the votes), Xenella Holding AB (50.0 per cent. of the capital and the votes), Bostadsbyggarna FastPartner – Besqab HB (50.0 per cent. of the participating interests), Centralparken Holding AB (50.0 per cent. of the capital and the votes), SRU Intressenter AB (49.0 per cent. of the capital and the votes) and RisComp Holding AB (50.0 per cent. of the capital and the votes).<sup>25</sup>

#### *Other investments*

One of the major investments in this part of the portfolio includes investments in SBB i Norden AB, a company of which the Company owns 5.6 per cent. of the capital and 6.9 per cent. of the

<sup>19</sup> The Company's annual report 2016, p.3.

<sup>20</sup> The Company's annual report 2016, p.3.

<sup>21</sup> FastPartner's interim report for the period 1 January–30 June 2017, p. 6, reviewed by auditors.

<sup>22</sup> FastPartner's interim report for the period 1 January–30 June 2017, p. 6, reviewed by auditors.

<sup>23</sup> FastPartner's annual report 2016, p. 29.

<sup>24</sup> FastPartner's annual report 2016, p. 29.

<sup>25</sup> The Company's annual report 2016, pp. 38–40.

votes as of 30 September 2017. SBB i Norden AB is a real estate company listed on Nasdaq Stockholm First North, focused on the management and development of residential units in Sweden and community service properties in the Nordics. As of 30 June 2017, the property portfolio consisted of 720 properties with a value of SEK 21.1 billion.<sup>26</sup> The largest segment is community service properties followed by residential and other units. The largest geographical area is Oslo followed by middle Sweden and Greater Stockholm. As of 30 September 2017, the Company owns 41,403,502 shares in SBB i Norden AB amounting to a market value of SEK 289.8 million.<sup>27</sup>

The Company also owns 0.1 per cent. of the shares in H&M Group. The H&M Group is one of the world's leading fashion groups and its brands include H&M, & other stories, Cheap Monday, COS, Monki, Weekday and Arket. As of 30 September 2017, the Company owns 1,260,000 shares in H&M Group amounting to a market value of SEK 265.9 million.

Other holdings include, inter alia, shares in SAS, with a value of SEK 10,9 million and also shares in, inter alia, Akelius and Corem Property Group.

### **Litigation**

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

### **Material agreements**

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

### **Credit rating**

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

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

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report and, other than the issuance of the Bonds on 30 October 2017, or as otherwise stated herein, no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published.

On 29 September 2017, the extra general meeting of the Company resolved to change the company category of the Company to public.

On 1 February 2017, FastPartner vacated the property Nedra Runby 1:9, 1:11. FastPartner has also vacated the properties Gustav 1 and Gunhild 5 in Stockholm in favour of a jointly owned company, Slättö. The properties were divested for an amount of SEK 50 million with an additional

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<sup>26</sup> FastPartner's interim report for the period 1 January–30 June 2017, reviewed by auditors.

<sup>27</sup> FastPartner's interim report for the period 1 January–30 June 2017, reviewed by auditors.

consideration of SEK 800 million following the approval of the zoning plan. FastPartner has also, per 29 March 2017, divested the property Kängurun 2 in Mölndal. Furthermore, in July 2017, FastPartner acceded the property Verkstäderna 2 that was acquired from CNF Invest AB.<sup>28</sup>

At the annual meeting 25 April 2017 in FastPartner, it was resolved to pay dividends amounting to a dividend of SEK 172.1 million to the Company. Furthermore, at the beginning of 2017, the Company acquired 24,700 preference shares in FastPartner.<sup>29</sup>

### **Shareholders' agreements**

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

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<sup>28</sup> The Company's annual report 2016, p. 51.

<sup>29</sup> The Company's annual report 2016, p. 51.

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

The business address for all members of the board of directors and the senior management is: Compactor Fastigheter AB (publ), Sturegatan 38, SE-114 36 Stockholm, Sweden. The board of directors of the Company currently consists of three members and one deputy member.

Information on the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set forth below.

### **Board of directors**

#### *Sven-Olof Johansson*

Born 1945 and of Swedish nationality. Chairman of the board of directors since 2017. Current assignments outside the Group include as board member in SBB i Norden AB, Autoropa Aktiebolag and STC Interfinans AB. Sven-Olof Johansson is also the CEO of FastPartner since 1997.

#### *Christopher Johansson*

Born 1977 and of Swedish nationality. Member of the board of directors of the Company since 2012. Christopher Johansson is also the CEO of the Company, and deputy CEO and CMO of FastPartner.

#### *Henrik Johansson*

Born 1982 and of Swedish nationality. Member of the board of directors of the Company since 2012. Henrik Johansson is also CEO at Henrik och Sven-Olof Fastigheter AB.

### **Senior management**

#### *Christopher Johansson*

Christopher Johansson is the CEO of the Company since 2017. For further information, please see above.

#### *Daniel Gerlach*

Daniel Gerlach is the CFO of the Company since 2017. Daniel Gerlach is also the CFO of FastPartner since 2009 as well as board member at Xenella Holding AB.

### **Auditors**

Deloitte AB has been the Company's auditor from 1996 and onwards with Kent Åkerlund as the auditor-in-charge since 2011 (*i.e.* for the period covered by the historical financial information incorporated into this Prospectus by reference). Kent Åkerlund is a member of FAR. The business address to Deloitte AB is Deloitte AB, Rehnsgatan 11, SE-113 79 Stockholm Sweden.

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

### **Conflicts of interests**

Save for what is mentioned below, there are no conflicts of interest between the private interests of the board members or the senior management and the Company's interests. Since Sven-Olof Johansson is the sole owner of the Company, he has a private financial interest in the Company. Furthermore, the board members and senior management (Sven-Olof Johansson, Christopher

Johansson and Henrik Johansson) of the Company are relatives and are also holding positions in other Group companies.

**Financial interests**

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

## Overview of financial reporting and documents incorporated by reference

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

The financial information for the financial year ending 31 December 2015 and 31 December 2016 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as well as interpretative notices from IFRS Interpretation Committee (IFRS IC) as adopted by the European Union. Furthermore, the Group applies RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*), specifying the amendments of the IFRS information required by the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen*).

The Company's consolidated annual reports for the financial years that ended 31 December 2015 and 31 December 2016, have been incorporated in this Prospectus by reference. The consolidated annual reports have been audited by the Company's auditor and the auditor's report has been incorporated in this Prospectus through the consolidated annual reports for the financial years ended 31 December 2015 and 31 December 2016 by reference.

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

Reference	Document	Page
Financial information regarding the Company and its business for the financial year ended 31 December 2015.	Compactor Fastigheter AB (publ)'s consolidated annual report for the financial year ended 31 December 2015.	- 3–8 (Administration Report), - 9, 12 (Income Statements), - 10–11, 13–14 (Balance Sheets), - 15 (Changes in Equity) - 16 (Cash Flow Statements), and - 17–52 (Notes).
Auditor's report for the financial year ended 31 December 2015.	Compactor Fastigheter AB (publ)'s consolidated annual report for the financial year ended 31 December 2015.	- Appendix (Audit Report)
Financial information regarding the Company and its business for the financial year ended 31 December 2016.	Compactor Fastigheter AB (publ)'s consolidated annual report for the financial year ended 31 December 2016	- 3–8 (Administration Report), - 9, 12 (Income Statements), - 10–11, 13–14 (Balance Sheets), - 15 (Changes in Equity) - 16 (Cash Flow Statements), and - 17–52 (Notes).
Auditor's report for the financial year ended 31 December 2016.	Compactor Fastigheter AB (publ)'s consolidated annual report for the financial year ended 31 December 2016.	- Appendix (Audit Report).

The abovementioned reports are available in electronic form on the Company's web page [www.compactorfastigheter.se](http://www.compactorfastigheter.se) and can also be obtained from the Company in paper format in accordance with section "*Documents available for inspection*" below.

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

**Documents available for inspection**

Copies of the following documents can be obtained from the Company in paper format upon request during the validity period of this Prospectus at the Company's head office.

- The articles of association of the Company
- All documents which by reference are a part of this Prospectus.
- Where such reports have been prepared, the Company's subsidiaries' audited annual reports for the financial years 2015 and 2016 (*i.e.* for the entire period for which financial information of the Company is being presented).



**Terms and Conditions for the Bonds**

**TERMS AND CONDITIONS FOR  
COMPACTOR FASTIGHETER AB (PUBL)  
SEK 500,000,000  
SENIOR UNSECURED CALLABLE FLOATING RATE  
BONDS 2017/2020**

**ISIN: SE0010442046**

Issue Date: 30 October 2017

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

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

**TERMS AND CONDITIONS FOR  
COMPACTOR FASTIGHETER AB (PUBL)  
SEK 500,000,000  
SENIOR UNSECURED CALLABLE FLOATING RATE BONDS  
2017/2020  
ISIN: SE0010442046**

**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 Central Securities Depositories and Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its Bonds.

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

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

“**Adjusted Total Assets**” means the aggregate book value of the Issuer’s total assets according to the latest Financial Report adjusted to the Issuer’s holding of shares in Listed Companies in accordance with the Total Value of Listed Holdings.

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

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

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

“**Bond**” means debt instruments (Sw. *skuldförbindelser*), each representing the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central

Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions.

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

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

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

“**Bond-Delisting Event**” means the situation where the Bonds at any time from the listing cease to be listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market (as applicable)).

“**Cash and Cash Equivalents**” means the Issuer’s cash and cash equivalents in accordance with the Accounting Principles.

“**Calculation Principles**” the calculation of the Incurrence Test shall be made as per a testing date determined by the Issuer, falling no more than two (2) months prior to the payment of the Restricted Payment that requires that the Incurrence Test is met. When calculating the Incurrence Test, the Restricted Payment shall for the calculation of Loan to Value be subtracted from the Cash and Cash Equivalents employed in the calculation of Net Interest Bearing Debt.

“**Call Option Price**” means

- (a) The Make Whole Price if the call option is exercised before the First Call Date;
- (b) 101.00 per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but excluding) the Final Redemption Date; or
- (c) 100.00 per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but excluding) the Final Redemption Date, provided that at least seventy-five (75.00) per cent. of the total outstanding Nominal Amount of the Bonds are financed in full by way of the Issuer issuing Market Loan(s) in which the Holders shall have the possibility to participate by way of roll-over (however subject to the Issuer’s and the Issuing Agent’s decision on allocation).

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

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

the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying (i) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, (ii) if provided in connection with a Financial Report being made available, that the Maintenance Test is met, including calculations and figures in respect of the Loan to Value and including that the Investment Restrictions are met, and (iii) if provided in connection with an application of the Incurrence Test, that the Incurrence Test is met, including calculations and figures in respect of the Loan to Value.

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

“**Event of Default**” means an event or circumstance specified in Clause 12.1.

“**FastPartner**” means FastPartner AB (publ), reg. no. 556230-7867, including its subsidiaries.

“**Final Redemption Date**” means 30 October 2020.

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases (the “**Operational Lease Freeze**”);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a) to (f).

**“Financial Report”** means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to paragraphs (a) and (b) under Clause 11.10.1 (*“Financial reporting etcetera”*).

**“First Call Date”** the date falling thirty-three (33) months after the Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

**“Force Majeure Event”** has the meaning set forth in Clause 24.1.

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

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

**“Holders’ Meeting”** means a meeting among the Holders held in accordance with Clause 15 (*Holders’ Meeting*).

**“HS Fastigheter Shareholder Loan”** means the shareholder loan from the Main Shareholder to Henrik och Sven-Olof Fastigheter AB, reg. no. 556759-6035, in the approximate amount of SEK 70,000,000.

**“Incurrence Test”** is met if the Loan to Value does not exceed thirty-five (35.00) per cent for the Issuer (unconsolidated basis), calculated in accordance with the Calculation Principles.

**“Interest”** means the interest on the Bonds calculated in accordance with Clauses 9.1 to 9.3.

**“Interest Payment Date”** means 30 January, 30 April, 30 July and 30 October each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 30 January 2018 and the last Interest Payment Date being the Final Redemption Date).

**“Interest Period”** means each period beginning on (but excluding) the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

**“Interest Rate”** means a floating rate of STIBOR (3 months) + 400 basis points, *per annum*, with quarterly interest payments in arrears. Interest shall never be calculated as being an amount less than zero (0).

**“Issue Date”** means 30 October 2017.

**“Issuer”** means Compactor Fastigheter AB (publ), reg. no. 556323-4284, P.O. Box 55625, 102 14 Stockholm.

“**Issuing Agent**” means ABG Sundal Collier ASA, reg. no. 883 603 362, Munkedamsveien 45, N-0205 Oslo, Norway, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Investment Restrictions**” shall have the meaning set forth in Clause 11.5.

“**Listed Companies**” means shares listed on Regulated Markets and/or listed on unregulated market places.

“**Listing Failure**” means the situation where the Bonds have not been listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within one hundred and twenty (120) calendar days from the Issue Date.

“**Loan to Value**” means, expressed as a percentage, the ratio of Net Interest Bearing Debt to Total Value of Listed Holdings.

“**Main Shareholder**” means Sven-Olof Johansson, personal identification no. 450915-2395, his spouse, or any of his direct heirs, by way of direct or indirect ownership of shares, and his Affiliates.

“**Maintenance Test**” is met if the Loan to Value does not exceed fifty (50.00) per cent for the Issuer (unconsolidated basis).

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

- (a) the present value on the relevant Record Date of 101.00 per cent of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant Record Date of the remaining interest payments (excluding accrued but unpaid interest up to the relevant Redemption Date) up to and including the First Call Date (assuming that the Interest Rate for the period from the relevant Record Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Holders);

both present values under items (a) and (b) above calculated by using a discount rate of fifty (50.00) basis points over the comparable Swedish Government Bond Rate (*i.e.* comparable to the remaining duration of the Bonds until the First Call Date).

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

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

“**Material Group Company**” means the Issuer or a Subsidiary representing more than five (5.00) per cent. of the Adjusted Total Assets.

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

“**Net Interest Bearing Debt**” means the aggregate interest bearing debt less Cash and Cash Equivalents of the Issuer in accordance with the Accounting Principles based on the most recent Financial Report.

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

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

“**Permitted Investments**” means any assets related to acquisition, development, construction, renovation or management of real properties and site leasehold rights and acquisition of shares in Listed Companies.

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

“**Quotation Day**” means, in relation to (i) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the Issue Date), or (ii) any other period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5<sup>th</sup>) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 13 (*Distribution of proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and repurchase of the Bonds*).

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

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

“**Restricted Payment**” has the meaning set forth in Clause 11.1 (*Distributions*).

“**Secured Market Loans**” means any Market Loan for which the Issuer or any Subsidiary (other than FastPartner) has provided any guarantee or security.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Central Securities Depositories and 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.

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

“**STIBOR**” means:

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

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50.00) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50.00) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (iv) exercises control as determined in accordance with the Accounting Principles.

“**Swedish Government Bond Rate**” means the yield to maturity at the time of computation of direct obligations of Sweden, acting through the Swedish National Debt Office (a Swedish Government Bond; Sw. *statsobligation*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two (2) Business Days (but not more than five (5) Business Days) prior to the latest time according to the Terms and Conditions for issuing the notice for the redemption (or, if such financial statistics are not so published or available, any



publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the redemption date to the First Call Date; provided, however, that if the period from the redemption date to the First Call Date is not equal to the constant maturity of a direct obligation of Sweden, acting through the Swedish National Debt Office for which a weekly average yield is given, the Swedish Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth (1/12) of a year) from the weekly average yields of direct obligations of Sweden, acting through the Swedish National Debt Office, for which such yields are given, except that if the period from such redemption date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of Sweden, acting through the Swedish National Debt Office, adjusted to a constant maturity of one year shall be used.

“**Total Value of Listed Holdings**” means the aggregate market value of the Issuer’s holdings of shares in Listed Companies to be calculated based on the total amount of shares and the relevant share price for such shares at the time of close of the stock exchange per each Reference Date.

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with (i) the Bond Issue and (ii) the listing of the Bonds.

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

## 1.2 **Construction**

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

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

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

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

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

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

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

- 2.1 The aggregate amount of the bond loan will be an amount of SEK 500,000,000 (the “**Bond Issue**”) which will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Nominal Amount**”). All Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 2.2 The ISIN for the Bonds is SE0010442046.
- 2.3 The minimum permissible investment in connection with the Bond Issue is SEK 1,000,000.
- 2.4 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.5 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.6 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Holder confirms these Terms and Conditions.

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

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

## **4. USE OF PROCEEDS**

The Net Proceeds of the Bond Issue shall be used towards general corporate purposes, including acquisitions of shares and real estate assets.

## **5. THE BONDS AND TRANSFERABILITY**

- 5.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 5.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 5.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.
- 5.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or

other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

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

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

- 6.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- 6.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.
- 6.3 The Issuer and the Agent shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 6.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 6.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.
- 6.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.
- 6.7 The Issuer and the Agent may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with

these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

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

- 7.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 7.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under these Terms and Conditions in relation to the Bonds for which such representative is entitled to represent the Holder and may further delegate its right to represent the Holder by way of a further power of attorney.
- 7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 7.1 and 7.2 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.

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

- 8.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 8.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account; such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 8.3 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 9.4 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8, 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.
- 8.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any

stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax.

## **9. INTEREST**

- 9.1 The Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Issue Date up to and including the relevant Redemption Date.
- 9.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 9.3 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). Interest shall never be calculated as being an amount less than zero (0).
- 9.4 If the Issuer fails to pay any amount payable by it under these Terms and Conditions 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 hundred (200.00) basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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

### **10.1 Redemption at maturity**

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

### **10.2 The Group's purchase of Bonds**

Each Group Company may at any time purchase Bonds. Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a full redemption of the Bonds.

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

- 10.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day prior to the First Call Date, at an amount equal to the Make Whole Price together with accrued but unpaid Interest.
- 10.3.2 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day falling on or after the First Call Date, but before the Final Redemption Date, at the applicable Call Option Price together with accrued but unpaid Interest.
- 10.3.3 Redemption in accordance with Clause 10.3.1 and 10.3.2 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent.

Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

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

10.4.1 Upon a Change of Control Event, Bond De-listing Event or Listing Failure occurring, each Holder shall have the right to request that all, but not only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of thirty (30) calendar days following a notice from the Issuer of the relevant event pursuant to paragraph (e) of Clause 11.10.1. The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event, the Bond De-listing Event or Listing Failure.

10.4.2 The notice from the Issuer pursuant to paragraph (e) of Clause 11.10.1 shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph (e) of Clause 11.10.1. The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 10.4.1.

10.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 10.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.4 by virtue of the conflict.

10.4.4 Any Bonds repurchased by the Issuer pursuant to this Clause 10.4 may at the Issuer's discretion be disposed of in accordance with Clause 10.2 (*The Group's purchase of Bonds*).

**11. SPECIAL UNDERTAKINGS**

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 11.

**11.1 Distributions**

The Issuer shall not, and shall procure that none of the Subsidiaries (other than FastPartner), (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay principal or pay interest under any shareholder loans (other than the HS Fastigheter Shareholder Loan) or (v) make any other similar distributions or transfers

of value (Sw. *värdeöverföringar*) to the Issuer's or the Subsidiaries' direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (items (i) to (v) above are together and individually referred to as a "**Restricted Payment**"), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, by:

- (a) any Group Company if such Restricted Payment is made to a Group Company and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis; or
- (b) the Issuer, provided that the Incurrence Test is met and the aggregate amount of all Restricted Payments made by the Issuer in a financial year (including the Restricted Payment in question but excluding any Restricted Payment made in accordance with item (a) above) does not exceed the lower of (i) an amount equal to fifty (50.00) per cent. of the Issuer's net profit according to the annual audited unconsolidated financial statements of the Issuer for the previous financial year (without carry back and carry forward) and (ii) SEK 100,000,000.

#### 11.2 **Listing of Bonds**

The Issuer shall ensure (i) that the Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, within twelve (12) months after the Issue Date and (ii) that the Bonds, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

#### 11.3 **Nature of business**

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

#### 11.4 **Debt restrictions**

The Issuer shall not and shall ensure that no Subsidiary (other than FastPartner) (i) issue any Market Loans with final redemption dates or where applicable, early redemption dates or instalment dates which occur before the Final Redemption Date, or (ii) issue any Secured Market Loans, other than Secured Market Loans incurred in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds.

#### 11.5 **Investment restrictions**

The Issuer shall procure that in relation to any investment, not less than ninety (90.00) per cent. of Adjusted Total Assets (unconsolidated basis), less Cash and Cash Equivalents but include the said investment, are Permitted Investments. The Issuer

shall together with its Financial Reports, deliver a Compliance Certificate covering the compliance of said Investment Restriction to the Agent.

#### 11.6 **Disposals of assets**

The Issuer shall not, and shall procure that none of the Subsidiaries (other than FastPartner), sell or otherwise dispose of shares in any Material Group Company or of all or substantially all of its or any Material Group Company's assets or operations to any Person not being the Issuer or any of the wholly owned Subsidiaries, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at fair market value and on terms and conditions customary for such transaction and provided that the transaction does not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction if such transaction is material (in accordance with Clause 11.10.2) and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

#### 11.7 **Dealings with related parties**

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

#### 11.8 **Compliance with laws etcetera**

The Issuer shall, and shall procure that the Subsidiaries, (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 or recognised unregulated market place on which the Issuer's securities from time to time are listed, and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

#### 11.9 **Maintenance Test**

The Issuer shall ensure that the Maintenance Test is met for as long as any Bond is outstanding. The Maintenance Test shall be tested on each Reference Date for the period ending on such Reference Date. The first Reference Date shall be 31 December 2017.

#### 11.10 **Financial reporting etcetera**

##### 11.10.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than six (6) months after the expiry of each financial year;



- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than two (2) months after the expiry of each relevant interim period (the first reporting period for the quarterly interim reports will be Q4 year 2017);
- (c) issue a Compliance Certificate to the Agent (i) when a Financial Report is made available, (ii) in connection with the payment of a Restricted Payment (which requires that the Incurrence Test is met), and (iii) at the Agent's reasonable request, within twenty (20) calendar days from such request;
- (d) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website;
- (e) promptly notify the Agent (and, as regards a Change of Control Event, a Bond De-listing Event or a Listing Failure, the Holders) upon becoming aware of the occurrence of a Change of Control Event, a Bond De-listing Event, a Listing Failure or an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice; and
- (f) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

11.10.2 The Issuer shall notify the Agent of any such material transaction which is not within the ordinary course of business as referred to in Clause 11.6 (*Disposals of assets*) and the Issuer shall, upon request by the Agent, provide the Agent with (i) any information relating to such transaction which the Agent deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (ii) above.

## 11.11 **Agent Agreement**

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

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;

- (c) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.

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

#### 11.12 **CSD related undertakings**

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

### 12. **TERMINATION OF THE BONDS**

12.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Holder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 12.6 or 12.7, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with these Terms and Conditions unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date;
- (b) **Other obligations:** The Issuer does not comply with these Terms and Conditions in any other way than as set out under item (a) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (c) **Cross-default/acceleration:**
  - (i) Any Financial Indebtedness of any Material 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 howsoever described under any document relating to Financial Indebtedness of any Material Group Company; or

- (ii) any security interest securing Financial Indebtedness over any asset of any Material Group Company is enforced;

provided however that the amount of Financial Indebtedness referred to under item (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 30,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;

**(d) Insolvency:**

- (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness; or
- (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;

**(e) Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, solvent liquidations) in relation to:

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

**(f) Mergers and demergers:**

- (i) A decision is made that any Material Group Company shall be merged or demerged into a company which is not a Group Company, unless the Agent has given its consent in writing prior to the merger and/or demerger (where consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors); or
- (ii) the Issuer merges with any other Person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity.

**(g) Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets

of any Material Group Company having an aggregate value equal to or exceeding SEK 30,000,000 and is not discharged within thirty (30) calendar days

- (h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable; or
- (i) **Continuation of the business:** The Issuer or any other Material Group Company ceases to carry on its business (except if due to (i) a permitted merger or demerger as stipulated in paragraph (f) of Clause 12.1 (*Merger and demergers*) or (ii) a permitted disposal as stipulated in Clause 11.6 (*Disposals of assets*)).

- 12.2 The Agent may not terminate the Bonds in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently).
- 12.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 12.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 12.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 12.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 12.1 and provide the Agent with all documents that may be of significance for the application of this Clause 12.
- 12.5 The Issuer is only obliged to inform the Agent according to Clause 12.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with Nasdaq Stockholm (or any other Regulated Market, as applicable) or otherwise, the Issuer shall however be obliged to either seek the approval from Nasdaq Stockholm (or any other Regulated Market, as applicable) or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 12.4.
- 12.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 12.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date,

notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 14 (Decisions by Holders). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- 12.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 14 (Decisions by Holders), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 12.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 12, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 12.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 12 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 14 (Decisions by Holders).
- 12.10 If the Bonds are declared due and payable, the Issuer shall redeem all Bonds with an amount per Bond equal to item (b) of the Call Option Price (plus accrued and unpaid Interest) or, if the Bonds are accelerated before the First Call Date, at the price set out in paragraph (a) of the definition of Call Option Price (plus accrued and unpaid Interest).

### **13. DISTRIBUTION OF PROCEEDS**

- 13.1 If the Bonds have been declared due and payable in accordance with Clause 12 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure;
  - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);

- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions.

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

- 13.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.1.
- 13.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.
- 13.4 If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 8.1 shall apply.

#### **14. DECISIONS BY HOLDERS**

- 14.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 14.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 14.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to

the Holders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

14.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 7 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:

- (a) on the Business Day specified in the notice pursuant to Clause 15.3, in respect of a Holders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 16.3, in respect of a Written Procedure,

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

14.5 The following matters shall require consent of Holders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3:

- (a) waive a breach of or amend an undertaking set out in Clause 11 (*Special undertakings*);
- (b) a mandatory exchange of Bonds for other securities;
- (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
- (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
- (e) amend the provisions in this Clause 14.5 or 14.6

14.6 Any matter not covered by Clause 14.5 shall require the consent of Holders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 17.1 (a), (b) or (c)) or a termination of the Bonds.

14.7 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at the Holders' Meeting or the Agent in a Written Procedure, will prevail. The chairman at a Holders' Meeting shall be appointed by the Holders in accordance with Clause 14.6.

14.8 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if Holder (or Holders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 14.5, and otherwise twenty (20.00) per cent. of the Adjusted Nominal Amount:

- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 14.9 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 15.1) or initiate a second Written Procedure (in accordance with Clause 16.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 14.8 shall not apply to such second Holders' Meeting or Written Procedure.
- 14.10 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 14.11 A Holder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 14.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 14.13 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 14.14 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 14.15 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 14.16 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant



Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

## **15. HOLDERS' MEETING**

- 15.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 15.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 15.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 18.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 15.1.
- 15.3 The notice pursuant to Clause 15.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the notice pursuant to Clause 15.1), (iv) agenda for the meeting (including each request for a decision by the Holders) and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 15.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 15.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 15.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 15.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as

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

## **16. WRITTEN PROCEDURE**

- 16.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 16.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 16.1 to each Holder with a copy to the Agent.
- 16.3 A communication pursuant to Clause 16.1 shall include (i) each request for a decision by the Holders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 16.1), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 16.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 16.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 16.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clause 14.5 and 14.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 14.5 or 14.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **17. AMENDMENTS AND WAIVERS**

- 17.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;

- (c) such amendment or waiver is necessary for the purpose of listing the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated market, as applicable), provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
  - (d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 14 (*Decisions by Holders*).
- 17.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.
- 17.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 17.4 An amendment or waiver to these Terms and Conditions shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

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

### **18.1 Appointment of Agent**

- 18.1.1 By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent in all matters relating to the Bonds and these Terms and Conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Holder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.
- 18.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.
- 18.1.3 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 these Terms and Conditions.
- 18.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agent Agreement,

and the Agent's obligations as agent under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.

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

## 18.2 **Duties of the Agent**

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

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

18.2.3 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.

18.2.4 The Agent's duties under these Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms and Conditions and upon instructions from the Holders, unless otherwise set out in these Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Holders.

18.2.5 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Group Companies with the terms of these Terms and Conditions (unless to the extent expressly set out in these Terms and Conditions) or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred.

18.2.6 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 these Terms and Conditions.

18.2.7 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in these Terms and Conditions and the Agent Agreement.

18.2.8 The Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Holders delay

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

- 18.2.9 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions or (iii) when the Agent is to make a determination under these Terms and Conditions. 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 these Terms and Conditions shall be distributed in accordance with Clause 13 (Distribution of proceeds).
- 18.2.10 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under these Terms and Conditions.
- 18.2.11 Notwithstanding any other provision of these Terms and Conditions 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.
- 18.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 18.2.13 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement, or (ii) if it refrains from acting for any reason described in Clause 18.2.12.
- 18.3 **Limited liability for the Agent**
- 18.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 18.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by or 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 Holders to delay the action in order to first obtain instructions from the Holders.

- 18.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 18.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 12.1 or Clause 14 (Decisions by Holders).
- 18.3.5 The Agent is not liable for information provided to the Holders by or on behalf of the Issuer or by any other person.
- 18.3.6 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.
- 18.4 **Replacement of the Agent**
- 18.4.1 Subject to Clause 18.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 18.4.2 Subject to Clause 18.4.6, 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.
- 18.4.3 A Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.
- 18.4.4 If the Holders have not appointed a successor Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 18.4.5 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 these Terms and Conditions.

- 18.4.6 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.
- 18.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 18.4.8 In the event that there is a change of the Agent in accordance with this Clause 18.4, 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 these Terms and Conditions and the Agent 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.

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

- 19.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- 19.2 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. APPOINTMENT AND REPLACEMENT OF THE CSD**

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

## **21. NO DIRECT ACTIONS BY HOLDERS**

- 21.1 A Holder may not take any action or take any legal steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to these

Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or a Subsidiary in relation to any of the liabilities of the Issuer under these Terms and Conditions. Such steps may only be taken by the Agent.

- 21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Holders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 18.1.2), 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 these Terms and Conditions or the Agent Agreement or by any reason described in Clause 18.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.13 before a Holder may take any action referred to in Clause 21.1.
- 21.3 The provisions of Clause 21.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 10.4 (*Mandatory repurchase due to a Change of Control Event, Bond De-listing Event or Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Holders.

## **22. TIME-BAR**

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

## **23. NOTICES AND PRESS RELEASES**

### **23.1 Notices**

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

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to



dispatch or, if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;

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

23.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 23.1.1.

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

## 23.2 **Press releases**

23.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 10.3, 10.4, 11.10.1 (e), 12.6, 13.4, 14.15, 15.1, 16.1, 17.3, 18.2.10 and 18.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

23.2.2 In addition to Clause 23.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Agent may send to the Holders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Holders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Holders, the Agent shall be entitled to issue such press release.

**24. FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 24.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 24.2 The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 24.3 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.
- 24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

**25. LISTING**

The Issuer has undertaken to list the Bonds within twelve (12) months after the Issue Date on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) in accordance with Clause 11.2 (*Listing of the Bonds*). Further, if the Bonds have not been listed on the corporate bond list of Nasdaq Stockholm within one hundred and twenty (120) calendar days from the Issue Date, each Holder has a right of repayment (put option) of its Bonds in accordance with Clause 10.4 (*Mandatory repurchase due to a Change of Control Event, Bond De-listing Event or Listing Failure (put option)*).

**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 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 26.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 26.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

**Addresses****Company and Issuer**

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 Sturegatan 38  
 114 36 Stockholm  
 Sweden  
 Tel: +(46) (0)8-528 005 05  
 Web page: [www.compactorfastigheter.se](http://www.compactorfastigheter.se)

**Central Securities Depository**

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

**Issuing Agent**

ABG Sundal Collier AB (publ)  
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 Web page: [www.abgsc.com](http://www.abgsc.com)

**Agent**

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**Auditor**

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