

*This prospectus was approved by the Swedish Financial Supervisory Authority on 19 February 2021. The validity of this prospectus will expire within twelve (12) months after the date of its approval. The obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this prospectus is no longer valid.*

# **Compactor Fastigheter AB (publ)**

**PROSPECTUS REGARDING THE ADMISSION TO TRADING OF**

**SEK 100,000,000**

**SENIOR UNSECURED CALLABLE FLOATING RATE BONDS**

**2020/2023**

**ISIN: SE0013914629**

19 February 2021

## IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Compactor Fastigheter AB (publ), Swedish reg. no. 556323-4284 (“**Compactor**”, the “**Company**” or the “**Issuer**” or together with its direct and indirect subsidiaries, unless otherwise indicated by the context, the “**Group**”), in relation to the application for admission for trading of the Issuer’s SEK 100,000,000 senior unsecured callable floating rate bonds 2020/2023 with ISIN SE0013914629 (the “**Bonds**”) issued on 25 January 2021 (the “**Issue Date**”), in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**” and the “**Bond Issue**”, respectively), on the corporate bond list on Nasdaq Stockholm Aktiebolag (“**Nasdaq Stockholm**”). The Bonds have been issued under a framework of SEK 1,000,000,000, of which SEK 750,000,000 was issued on 24 September 2020. Concepts and terms defined in Section *Terms and Conditions for the Bonds* are used with the same meaning throughout the entire Prospectus unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.

This Prospectus has been prepared by the Company as well as approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) pursuant to Chapter II and Article 20 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Furthermore, Annexes 7 and 15 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the content of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the SFSA 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 admitting the Bonds to trading on Nasdaq Stockholm. This Prospectus may not be distributed in the US, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa or New Zealand or in any other jurisdiction 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 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 (as defined in Rule 902 of Regulation S under the Securities Act).

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Issuer’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 shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. In this Prospectus, any references to “**SEK**” refer to Swedish Kronor or to “**EUR**” refer to Euro.

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 Issuer’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 Issuer 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.

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 has been prepared in English only and 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. The Prospectus is available at the SFSA’s website ([www.fi.se](http://www.fi.se)) and the Issuer’s website ([www.compactorfastigheter.se](http://www.compactorfastigheter.se)).

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# RISK FACTORS

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*The purpose of this section is to enable a potential investor to assess the relevant risks related to their potential investment in the Bonds in order to make an informed investment decision. The below risk factors are therefore limited to risks that, in the meaning of Regulation (EU) 2017/1129, are material and specific, to the Issuer and its holdings in the subsidiaries, Fastpartner AB (publ) (“Fastpartner”), Henrik och Sven-Olof Fastigheter AB (“HS-fastigheter”), the Group and the Bonds.*

*Almost all the Group’s properties are owned by Fastpartner and consequently a majority of the Group’s operations are conducted by and the Group’s assets and revenues relates to Fastpartner. Therefore, the risk factors included in this section are predominantly connected to Fastpartner.*

*The manner in which the Issuer and the Bonds may be affected by each risk factor is illustrated by way of an evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated as “low”, “medium” or “high” and the magnitude of negative impact if it would occur as “low”, “medium” or “high”. The most material risk factor in a category is presented first under that category, whereas subsequent risk factors in the same category are not purported to be ranked in order of materiality.*

## RISK FACTORS SPECIFIC AND MATERIAL TO THE ISSUER AND THE GROUP

### Risks related to the Group’s financial situation

#### Liquidity and refinancing risks

The Group’s business operations are capital intensive and access to external financing is a basic prerequisite for the Group in order to developing a successful business. The Group mainly finances its business by way of loans from credit institutions and the capital markets, including bond financings.

Liquidity and refinancing risks refer to the risk of increased cost and/or a limited scope for refinancing possibilities when loans are to be renewed, and that payment obligations cannot be fulfilled as a consequence of inadequate liquidity or difficulties in obtaining financing. If financing cannot be obtained at all, or refinancing cannot be obtained with reasonable terms or only at a materially increased cost, this could have a material adverse effect on the Group’s liquidity and financial position and ultimately the Group’s business.

As of 31 December 2019, the ongoing project investments in Fastpartner amounted to SEK 865.6 million. Historically, the Group has largely obtained financing in the form of loans from the Swedish commercial banks. The Group currently finances its business primarily through equity and interest bearing borrowings. As of 31 December 2019, the Group has loans from credit institutions in an amount of SEK 8,516.8 million, 6 bond loans (whereof one issued by the Issuer and five issued by Fastpartner) in an amount of SEK 4,300.0 million, commercial papers in an amount of SEK 1,460.0 million and other loans in an amount of SEK 119.9 million. In addition to the above, Fastpartner has issued additional bonds under its existing bond frameworks in an amount of SEK 1,100 million during the financial year 2020.

As of 31 December 2019, the debt obligations classified as short-term liabilities with a repayment rate within the next twelve months amounted to SEK 3,628.1 million. The Group is thus continuously in need of being able to refinance their short-term loans. Should it become impossible to obtain refinancing on acceptable terms, it could have a material adverse effect on the Group’s business and financial position.

The Group’s loan agreements as well as the terms and conditions of the bond loans contain certain financial covenants, for example to maintain a certain level of loan to value ratio, interest coverage ratio and leverage ratio. If these special undertakings are not fulfilled by the Group, the relevant creditor may be entitled to accelerate the loans or require amended terms and conditions. Certain loan agreements also include so-called change of control clauses, which means that the creditor can demand repayment of the loan in advance if Sven-Olof Johansson’s

direct or indirect control over the Group ceases. The loan agreements also contain provisions which imply that if any loan agreement is terminated, other creditors are entitled to terminate their loan agreements (cross-default). Should the Group's financing agreements be terminated or securities enforced, it could have a material negative effect on the Group's investment ability and in the long-term access to capital. Furthermore, such termination of lending arrangement would affect the Group's and the Issuer's liquidity in the short term, and hence the Group's business and financial position.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *high*.

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

The Group is exposed to changes in the market value of its real estate portfolio. The Group accounts for its real estates at fair value in accordance with the reporting standard IFRS 13, which means that each real estates' consolidated carrying amount corresponds to its estimated market value. As of 31 December 2019, the value of the Group's property holdings amounted to SEK 28,366.4 million, whereof SEK 28,172.4 million is attributable to Fastpartner.

If real estate valuations assign lower values to the real estate assets of the Group, it would negatively affect the Group's equity, and hence the financial position. Consequently, decreasing market values of the Group's real estate properties will negatively affect its financial income and balance sheet. The Group conducts property valuations by appointment of external value rating agencies. The valuation is carried out in order to determine the market price as of the date of the valuation. Should such valuation be inadequate or discontinued, it could have a material adverse effect on the Group's financial position.

The value of the Group's properties is affected by 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 rates and market specific deteriorations such as higher yield requirements may cause the Group to write-down the value of its properties, which would have a material adverse effect on the Issuer's business and financial position.

The Issuer considers that a decrease in the value of the Group's properties occurring is *medium*. If the risks would materialise, even if temporary, the Issuer considers the potential negative impact to be *high*.

### **Credit and counterparty risks**

The term credit and counterparty risk means the risk of loss if the other party to a contract should not meet its obligations. The Group's credit and counterparty risks comprise of exposure to commercial and financial counterparties. The Group's commercial credit and counterparty risk comprise of financial possessions such as promissory notes, shares and stocks and lease receivables which are distributed on a large number of counterparties. Fastpartner's primary credit and counterparty risk is mainly tenants being unable to fulfil their payment obligations in accordance with their lease contracts as well as certain promissory notes, whereas the commercial counterparty risk for the Group is focused towards larger lenders such as creditworthy credit institutions. Due to the spread of COVID-19, Fastpartner has provided lease discounts for the second financial quarter of 2020 corresponding to an amount of SEK 6.8 million. Fastpartner will receive compensation for half the amount, SEK 3.4 million, from the government through a legislation passed on 2 July 2020 on state aid when certain tenants have received lease discounts (Sw. *förordningen (2020:237) om statligt stöd när vissa lokalhyresgäster fått rabatt på hyran*). It cannot be ruled out that the negative economic effects due to the spread of COVID-19 may have additional consequences in terms of the ability of Fastpartner's tenants to pay and that such consequences cannot be compensated by financial support provided by the government.

Should any such counterparties of Fastpartner, the Issuer or the Group fail to fulfil their obligations vis-à-vis the Fastpartner, the Issuer or the Group, it could have a negative impact on the Group's business and cash flow as well as financial position. There is also a risk that Fastpartner would need to terminate lease agreements with tenants

not fulfilling their obligations. This could result in vacancies and decreased cash flow, which in turn would adversely affect the Group's business and cash flow as well as financial position.

The Issuer considers that the probability of the above risks occurring is *high*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

### **Interest expense risks**

Interest cost is one of the Group's main cost items. As of 31 December 2019, the aggregate amount of the Group's interest bearing debts amounted to SEK 14,396.7 million. Interest risk is the risk that changes in market interest rates affect the Group's net interest income negatively, as well as the risk that changes in the interest level negatively affect the Group's interest costs. Changes in market interest rates are mainly due to expectations of the inflation rate. Short-term interest rates are mainly affected by the repurchase rate (Sw. *reporäntan*) set by the Swedish Central Bank (Sw. *Riksbanken*). A longer average interest period on the Group's financing arrangements will result in a longer period before any changed interest rates affects the Group's interest costs. Furthermore, a larger share of fixed interest periods would make the Group less sensitive to fluctuations in market interest rates. As a large share of the Group's financing arrangements bear a floating interest rate, even a small change in market variable interest rates would have a large impact on the Group's interest expenses. During the financial year ended 31 December 2019, Fastpartner's average interest rate amounted to 2.00 per cent.

In a longer perspective, changes in interest rates, irrespective of variable or invariable rates, have a material effect on the Group's profit and cash flow. Furthermore, an increased level of interest rates and increased interest costs could have a material adverse effect on the Group's and the Issuer's business, results of operations and financial position.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *high*.

### **Changes in the value of interest rate derivatives**

The Issuer's subsidiaries currently uses, and has historically used, interest rate derivatives for hedging of financial risks. The interest rate derivatives are accounted for at fair value in the balance sheet and changes in value simultaneously accounted for in the profit and loss account. As the market interest rates change, a theoretical deficit or surplus value arises which is not influencing the cash flow. At the end of duration, the value of the derivatives is always zero. During the financial year 2019, Fastpartner's results were negatively affected by SEK -32.5 million in unrealised changes in the value of its interest swap agreements. Interest swap agreements are paid at a fixed interest rate, but as the market value of the interest rate derivatives decreases if the market interest rates fall, such decrease in market interest would negatively affect the balance sheet of the relevant Group company and hence the Issuer's financial position.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

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

The Issuer invests indirectly in real estate assets through Fastpartner and HS-fastigheter, as well as directly in shares and other instruments that are listed and traded on regulated markets or multilateral trading facilities. As of 31 December 2019, the value of the Issuer's share portfolio amounted to SEK 1,839.6 million. Such assets and instruments are exposed to market price fluctuation which could have a negative impact on the value of the Issuer's assets and the creditworthiness of the Issuer, which in turn ultimately could impact the business operations of the Group and the Group may be negatively affected.

The Issuer is dependent on its subsidiaries and other investments, especially its financial holdings, to obtain dividend income. If subsidiaries or financial holdings fail to provide dividend income, the Issuer's cash flow could be negatively affected, which could have material negative impact on the Issuer's business, results of operation and financial position.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

## **Market risk**

### **Macroeconomic factors**

The real estate market is to a considerable degree affected by macroeconomic factors such as the general economic climate and economic trends, economic growth, employment rate, the rate of construction of new housing and commercial premises, changes to infrastructure and demographics, population growth, inflation and/or interest rates. The economic growth affects the employment rate, which is an important factor regarding, for example, demand in the lease market and tenant solvency and therefore affects vacancy rates and rental levels. The real estate market is also affected by the spread of COVID-19 and its financial effects on the world economy and the Swedish economy. Societal lock-downs have affected the economy and unemployment, which in turn risk affecting supply and demand in the lease market, but also tenants' ability to pay rent in the event of a lack of liquidity. The long-term economic effects due to the spread of the virus are still uncertain, but risk resulting in reduced income to the extent that the vacancy rate, rental levels and tenants' ability to pay rent are negatively affected.

The Group's major cost item consists of the cost of interest-bearing borrowings to credit institutions and the capital market. Hence, the expected inflation rate affects interest rates and consequently the Group's net income. In a long-term perspective, changes in interest rates may have a significant impact on the Group's financial results and cash flow. Inflation also affects the Group's operating costs. In addition, changes in interest rates and inflation also affect the required rate of return and thus the market value of the Group's properties.

A major share of the Group's commercial lease agreements completely or partially tied to the Swedish consumer price index (Sw. *konsumentprisindex*), and are therefore completely or partially adjusted for inflation. Should the Group's costs be such that they cannot be compensated by the increase in leases in accordance with the inflation-driven indexation, it would negatively impact the Group's results of operations and hence the Issuer's results of operations. Furthermore, there is a risk that group companies, including Fastpartner, will not at all times be able to sign rental agreements that completely or partially compensate for the inflation, which would negatively impact the Group's profit.

Higher vacancy rates and interest rates, rising costs and lower lease rates could have a material adverse effect on the Group's business, results of operations and financial position.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *high*.

## **Risks related to the Group's business activities and industry**

### **Acquisitions**

Acquisitions and divestment of properties are part of the Group's ongoing business. For example, during the financial year ended 31 December 2019, Fastpartner acquired four properties with an aggregate book value of SEK 2,443.0 million. Acquisitions of properties are inherently associated with risks, *inter alia*, lower than anticipated rental income, environmental contamination or technical problems. Should unfavourable environmental conditions and/or technical problems arise in relation to acquired properties, and if such risks are not identified within the framework of the due diligence process or compensated for through warranties under the relevant acquisition agreement, such acquisitions may turn out costly and not be compensated by any gain from such transaction, which in turn would negatively affect the Group's business and financial position.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

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

The main business of the operating companies, including Fastpartner, in the Group is to own and manage properties. Consequently, rental income constitutes the Group's major source of income. As of 31 December 2019, the Group's yearly rental income amounted to SEK 1,701.7 million and the lease ratio amounted to 91.0 per cent. During the financial year ended 31 December 2019, the average lease period for the Group's lease agreements was approximately 4.7 years. A decrease in rental income and increase in vacancies could result in lower property market prices in general and for the Group specifically, which could have a negative effect on both the valuation of the properties and the Group's operating income.

As of 31 December 2019, the Group's ten largest tenants accounted for 19 per cent of the total contracted rental income, of which the largest, being Nasdaq, accounted for 4 per cent. The Group is hence dependent in its larger tenants in order to maintain a stable cash flow. Should the Group's larger tenants refrain from renewal or extension of their rental agreements on, or before, the expiration date, this could eventually lead to a decrease in rental income and increase in vacancies, the consequence of which is lower revenues, which in the long term could result in lack of liquidity and ultimately affect the Issuer's ability to service its debt under the Bonds.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

### **Project development**

The Group continuously refines its property portfolio and during the financial year ended 31 December 2019, investments amounting to SEK 811.9 million were made in existing properties and projects. As of 31 December 2019, the remaining investment volume for the Group's ten largest ongoing projects amounted to approximately SEK 297 million. The Group's operations also include project development and the Group has an extensive portfolio of unutilised building rights in various planning phases. Project development refers to both new construction as well reconstruction of existing buildings.

The Group's operations include project development operations and primarily Fastpartner has a comprehensive portfolio of unutilized building rights in different stages. As project development refers to both new construction as well reconstruction of existing buildings, it is necessary for the Group to carry out such operations with maintained profitability, which is dependent upon factors such as the Group's access to necessary skilled personnel within *e.g.* building, design and architecture, as well as obtaining licensing and government approvals and successful procurement of contracts. Furthermore, a successful project development requires ongoing supply and financing of new projects on acceptable terms. The possibility of implementing projects with economic profitability can also be dependent on, *inter alia*, if the projects do not adequately respond to market demand, if demand or rental levels in general change, inadequate planning, analysis and cost control, changes in taxes and fees or other factors that can lead to delays or increased or unforeseen costs attributable to the projects.

There is a risk that the Group may not receive government decisions or permits that are necessary for project development, or that changes in permits, plans, regulations or legislation, including the possibility to exploit building rights within certain zoning plans (Sw: *detaljplaner*), will cause projects to be delayed, to be more costly, to deviate from expectations or to be impossible to carry out at all. Should one or more of the above factors occur or risks materialise, it could have a material adverse effect on the Group's business, financial position and results.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

### **Exposure towards changes in operating costs**

A material cost item for the Issuer's subsidiary Fastpartner is operating costs comprising of *inter alia* electricity, heat, water, tax on real estate and site-lease rents. As of 31 December 2019, the Group's property operating costs amounted to SEK 554.2 million, whereof site-lease rents amounted to SEK 31.2 million.

Rising costs for electricity, heating, water, tax on real estate and site-lease rents entail increased costs for Fastpartner and the Group to the extent any such increased costs, especially with regard to electricity, are not



compensated through that the costs can be borne by tenants in the lease agreements. The consequences of any such increased costs are lower profits derived from property management and a negative effect on key ratios. Such increased costs could therefore have a material adverse effect on Fastpartner's business and results of operation, and hence the Issuer's results of operation and financial position.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

## **Legal and regulatory risk**

### **Reputational damage**

The Group's ability to attract and retain tenants as well as its ability to obtain financing on acceptable terms is dependent on its reputation and, consequently, Group's business is sensitive to risks related to reputation damage. If, for example, the Issuer, the Group, any of its senior management or directors were to act in a manner that conflict with the values of the Issuer 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. Further, there is a risk that any Group internal policies in relation to, *inter alia*, bribery and corruption, are not adhered to, and that the Issuer does not effectively detect and prevent violations of applicable laws and regulations. Penalties and Sanctions (as applicable) as well as negative publicity, negative rumours or other factors could impair the Group's reputation and lead to reduced competitiveness, take up managements' time and resources, impair the Group's ability to obtain external financing as well as cause other costs, which could have a material adverse effect on the Group's business, results of operation and financial position.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

### **Exposure to changes in legislation and taxes**

Changes in legislation relating to landlords and tenants, as well as legislation relating to acquisitions, taxes or the environment, or changes in the legal usage applicable to the Group's or its tenants' business, may have a negative effect on the Group's business.

The Group's operations may also be affected by changes in existing accounting standards which applies to the Group's operations, including, for example, IFRS and other international accounting standards. For example, the introduction of IFRS 16 had a negative effect on the Group's equity/assets ratio by approximately one per cent., as the Group values the right of use and the lease liability at present value of future lease payments. Such changes may also give rise to uncertainty regarding the Group's accounting, financial reporting and internal control, which may affect the Issuer's reported profit, balance sheet and equity.

Changes in tax legislation relating to companies and properties, as well as other government fees, may affect the conditions for the Group's operations, including the possibility of implementing property development projects, and may have negative effects on the Group's financial results.

On 1 January 2019, new Swedish tax legislation entered into force relating to, among other things, interest deduction limits for the business sector. The legislation is based on EU Directive 2016/1164 concerning the establishment of rules against tax avoidance practices that directly affect the functioning of the internal market and involve an overall limitation on interest deductions in the business sector. According to the legislations, a company's net interest expense, *i.e.* the difference between such company's taxable interest income and deductible interest expenses, will only be deductible up to 30 per cent. of the company's taxable EBITDA (*i.e.* earnings before interest, taxes, depreciation and amortisation). The legislation may cause the Group's final tax allowance, attributable to interest, to decrease as a result of the reduced allowance cap.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

## **Internal control risk**

### **Dependence on qualified staff and senior executives**

The Group has a relatively small organisation, with 71 employees as of 31 December 2019. The Issuer and the Group's successful development is therefore dependent on individual employees in general and the knowledge, experience and commitment of key employees in particular, including the Issuer's major shareholder and CEO. Should one or more of the Group's employees resign or the Issuer's major shareholder cease to exercise major influence, it could materially adversely affect the Group's successful development and business operations.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *medium*.

### **Influence of major shareholders**

As of 31 December 2019, Sven-Olof Johansson owned 75.0 per cent of the shares and votes in the Issuer. The major ownership control implies a great influence over the Issuer by Sven-Olof Johansson, who may exercise influence, among other things, in matters that are put to a vote at general meetings of the shareholders, e.g. election of the board of directors and the Group's long term direction. There is a risk that the interest of the major shareholder deviates from the interest of the holders of Bonds or that the major shareholder otherwise makes decisions that prove unfavourable for the bond investors' possibility to obtain payment under the Bonds.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

## **Environmental risks**

### **Environmental risks**

The Swedish Environmental Code (Sw. *miljöbalken (1998:808)*) contains detailed rules regarding operators' and real estate property owners' liability for investigations and remediation measures regarding real estate property which is polluted. The general rule for liability regarding the investigation and remediation measures is that the person who is the operator, or has been the operator, who contributed to pollution, is liable. Under certain conditions, an owner of a real estate property or a holder of leasehold may also be held liable.

The Issuer indirectly subject to environmental risk as the subsidiaries in the Group, as property owners and site leasehold holders, may be liable (or liable to pay compensation) under certain conditions for investigative action and remediation measures as well as preventive action regarding contaminated properties. A liability of this kind could cause the relevant subsidiary to incur significantly increased costs and/or investment needs and could have a material adverse effect on the relevant subsidiary's business, results of operation and financial position, and therefore in turn on the Issuer's results of operation and financial position.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

## **RISK FACTORS SPECIFIC AND MATERIAL TO THE BONDS**

### **Risks related to the nature of the Bonds**

#### **Dependence on subsidiaries, structural subordination and insolvency of subsidiaries**

All real estate assets are owned by and all real estate revenues are generated in subsidiaries of the Issuer. Accordingly, the Issuer 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 Issuer's subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Issuer's subsidiaries to make such payments to the Issuer is subject to, among other things, the availability of funds and should the Issuer not receive sufficient funds, the investor's ability to receive payment in accordance with the terms and conditions of the Bonds (the "**Terms and Conditions**") could be adversely affected. This can also lead

to a market pricing the Bonds with a higher risk premium, which would have a negative effect on the value of the Bonds on the secondary market.

Should the value of the business conducted in the subsidiaries or the associated companies decrease, and/or should the Issuer not receive sufficient income from its subsidiaries and associated companies, the investor's ability to receive payment under the terms and conditions may be adversely affected. The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *high*.

### **Preferential rights**

As part of its financing, Fastpartner has obtained loans from credit institutions by pledging mortgage certificates (Sw. *pantbrev*) over certain properties and certain share certificates in its property-owning subsidiaries. As of 31 December 2019, Fastpartner has for its secured borrowings pledge mortgage certificates of a total amount of SEK 11,566.1 million. Loans of this kind normally constitute a preferential claim on the Group. Fastpartner also intends to continue to seek effective and advantageous financing, why further pledges may be given in conjunction with new loans of this kind. Such new loans will normally also constitute preferential claims on the Group.

The Bonds constitute non-preferential obligations on the part of the Issuer. This means that if the Issuer is subject to winding-up (Sw. *likvidation*) procedures, undergoes corporate reorganisation or is declared bankrupt, holders of Bonds will normally receive payment after any preferential creditors, who normally have preferential rights to certain assets, have been paid in full.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise the Company considers the potential negative impact to be *medium*.

## **Risks related to the admission of the Bonds to trading on a regulated market**

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

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group's and its competitors' operating income, adverse business development, changes to the regulatory environment in which the Group operates, changes in financial estimates by security analysts and actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Bonds.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise the Issuer considers the potential negative impact to be *low*.

### **Liquidity risk**

The Issuer has undertaken to ensure that the Bonds are admitted to trading 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 any other Regulated Market within certain stipulated time periods, as set forth in the Terms and Conditions. However, the Bonds are usually only traded over-the-counter (OTC). Even if securities are admitted to trading on a regulated market, active trading in the Bonds does not always occur. This may mean that a Holder is unable to sell its Bonds at the desired time or at prices yielding a return comparable with similar investments for which there is an existing and effective second market. A lack of liquidity in the market may therefore adversely affect the market value of the Bonds.

It should also be noted that during certain periods it may be difficult or impossible to sell the Bonds due to *e.g.* severe price fluctuations, closure of the marketplace in question or trading restrictions imposed for a certain period of time.

The Issuer considers that the probability of the secondary trading in the Bonds being impacted as described above is *low*. If the effects would materialise, the Issuer considers the potential negative impact as *low*.

## **Risks related to the rights of the holders of Bonds**

### **Risks related to acceleration of the Bonds and put options**

Upon the occurrence of an Event of Default (as defined in the Terms and Conditions, the Bonds may be accelerated at the terms and price set out in the Terms and Conditions. Furthermore, upon the occurrence of a Change of Control Event, Bond De-listing Event or Listing Failure (as defined in the Terms and Conditions), the Bonds will be subject to prepayment at the option of each Holder (put option) at the terms and price set out in the Terms and Conditions. There can be no assurance that the Issuer will have sufficient funds at the time of such prepayment or acceleration to make the required redemption of, or payment in respect of, the Bonds. Apart from that an investor could lose part of, or its entire investment, this could in turn adversely affect the Issuer, *e.g.* by causing illiquidity, insolvency or an event of default under the Terms and Conditions, and consequently adversely affect all holders of Bonds, and not only those that choose to exercise the option.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact as *low*.

### **Voluntary early redemption**

Under certain conditions, the Terms and Conditions provide for a right for the Issuer to redeem the Bonds prior to its final maturity date at certain premiums (call option price). During the period when the Issuer is entitled to voluntarily redeem the Bonds, the market value of the Bonds will most likely not be significantly higher than the call option price set out in the Terms and Conditions.

If the Issuer exercises its right to early redemption of the Bonds when the market value of the Bonds is higher than the relevant call option price, it could affect the investor's possibilities to re-invest the repaid amount on the same terms as the terms of the redeemed Bonds. It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to carry out the required redemption of Bonds.

The Issuer considers that the probability of the above risks occurring in relation to the Bonds *low*. If the risks would materialise, the Issuer considers the potential negative impact as *low*.

# THE BONDS IN BRIEF

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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, and the full Terms and Conditions for the Bonds included under Section “*Terms and Conditions for the Bonds*”, before a decision is made to invest in the Bonds.

## General

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Issuer .....	Compactor Fastigheter AB (publ), Swedish reg. no. 556323-4284.
Resolutions, authorisations and approvals .....	The Issuer’s board of directors resolved to issue the Bonds on 19 January 2021.
The Bonds offered.....	Senior unsecured callable floating rate bonds due 24 September 2023 in an aggregate principal amount of SEK 100,000,000.  On the date of this Prospectus, Bonds in the total aggregate amount of SEK 850,000,000 have been issued under the Terms and Conditions.
Nature of the Bonds .....	The Bonds constitute debt instruments (Sw. <i>skuldförbindelser</i> ), each of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (Sw. <i>lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i> ).
Number of Bonds .....	80 Bonds have been issued on the Issue Date. A maximum of 800 Bonds may be issued under the Terms and Condition.
ISIN.....	SE0013914629.
Issue Date.....	25 January 2021.
Price .....	All Bonds issued on the Issue Date have been issued at an issue price of 100.50 per cent. of the Nominal Amount.
Interest Rate .....	Interest on the Bonds is paid at a rate equal to the sum of (i) 3-month STIBOR, plus (ii) 2.50 per cent. <i>per annum</i> , provided that if the interest rate is less than zero, it shall be deemed to be zero. Interest will accrue from, but excluding, the Issue Date.
Use of benchmark .....	Interest payable for the Bonds issued under the Terms and Conditions is calculated by reference to STIBOR. As of the date of this Prospectus, the administrator (being Swedish Financial Benchmark Facility) does not appear in the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the regulation (EU) 2016/1011 (the Benchmark Regulation).
Interest Payment Dates.....	Quarterly in arrears on 24 September, 24 December, 24 March and 24 June each year (with the first Interest Payment Date for the Bonds issued on the Issue Date being on 24 March 2020 and the last Interest Payment Date being the Final Redemption Date, 24 September 2023), provided that if any such day is not a Business Day, the Interest Payment Date shall be 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. Interest will accrue from, 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).
Final Redemption Date .....	24 September 2023.
Nominal Amount.....	The initial nominal amount of each Bond is SEK 1,250,000 and the minimum permissible investment upon issuance of the Bonds was SEK 1,250,000.
Denomination.....	The Bonds are denominated in SEK.
Status of the Bonds .....	The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among them and at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except for obligations mandatorily preferred by regulation applying to companies generally.
Use of Proceeds and estimated Net Proceeds .....	<p>The purpose of the Bond Issue was to raise funds to be used <i>firstly</i> towards redemption of the Existing Bonds in full and <i>secondly</i> general corporate purposes, including acquisitions of shares and real estate assets.</p> <p>The Net Proceeds from the offering of the Bonds issued on the Issue Date is SEK 100,500,000 minus the costs incurred by the Issuer in conjunction with the issuance of the Bonds.</p>

## Call Option

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Call Option.....	The Issuer may redeem all of the Bonds in full on any Business Day before the Final Redemption Date at the applicable Call Option Price together with accrued but unpaid Interest, in accordance with Clause 11.3 ( <i>Early voluntary redemption by the Issuer (call option)</i> ) of the Terms and Conditions.
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## Put Option

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Put Option .....	Upon the occurrence of a Change of Control Event, a Bond De-listing Event or a Listing Failure, 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 12.10.1 of the Terms and Conditions. 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.
Change of Control Event.....	A 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.

Bond De-listing Event.....	A De-listing means the situation where the Bonds at any time from the admission to trading cease to be admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market (as applicable))
Listing Failure .....	A Listing Failure means a situation where (i) the Initial Bonds have not been admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the First Issue Date or (ii) any Subsequent Bonds have not been admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the Issue Date in respect of such Subsequent Bonds.

## Undertakings

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Certain undertakings .....	<p>The Terms and Conditions contain a number of undertakings that restrict the ability of the Issuer and other Group Companies, including, among others:</p> <ul style="list-style-type: none"> <li>• restrictions on making distributions;</li> <li>• undertaking to have the Bonds admitted to trading within twelve (12) months after the Issue Date;</li> <li>• restrictions in relation to incurring debt;</li> <li>• restrictions in relation to investments;</li> <li>• restrictions on disposals of assets;</li> <li>• restrictions on mergers and demergers;</li> <li>• restrictions on making any substantial changes to the general nature of the business carried on by the Group; and</li> <li>• restrictions on dealings with related parties.</li> </ul>
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Each of these covenants is subject to significant exceptions and qualifications. See the Terms and Conditions of the Bonds for more information.

## Miscellaneous

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Transfer restrictions .....	The Bonds are freely transferable. The Holders may be subject to purchase or transfer restrictions with regard to the Bonds under local laws to which such Holder may be subject (due to, <i>e.g.</i> , its nationality, its residency, its registered address or its place(s) of business). The Bonds have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction.
Credit rating .....	No credit rating has been assigned to the Bonds.
Admission to trading.....	Application for admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm will be filed in connection with the Swedish Financial Supervisory Authority's (Sw. <i>Finansinspektionen</i> ) (the "SFSA") approval of this Prospectus. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 22 February 2021. The total expenses of the admission to trading of the Bonds are estimated to amount to approximately SEK 150,000.

Representation of the Holders ...	<p>Nordic Trustee &amp; Agency AB (publ), Swedish reg. no. 556882-1879, is acting as Agent for the Holders in relation to the Bonds and any other matter within its authority or duty in accordance with the Terms and Conditions.</p> <p>By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf, on the terms, including rights and obligations of the Agent, set out in the Terms and Conditions. The Terms and Conditions are available at the Agent’s office address, Norrlandsgatan 23, SE-111 43 Stockholm, Sweden, during normal business hours as well as at the Agent’s website, <a href="http://www.nordictrustee.com">www.nordictrustee.com</a>.</p>
Governing law.....	The Bonds are governed by Swedish law.
Time-bar.....	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 3 years from the relevant due date for payment.
Clearing and settlement.....	The Bonds are connected to the account-based system of Euroclear Sweden AB, Swedish reg. no. 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. <i>VP-konto</i> ). No physical Bonds have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear Sweden AB’s book-entry system.
Risk factors .....	Investing in the Bonds involves substantial risks and prospective investors should refer to Section “ <i>Risk Factors</i> ” for a discussion of certain factors that they should carefully consider before deciding to invest in the Bonds.



# DESCRIPTION OF THE ISSUER AND THE GROUP

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## Overview of the Issuer

Legal and commercial name.....	Compactor Fastigheter AB (publ)
Corporate reg. no. ....	556323-4284
LEI-code.....	5493007ZEWLXPN0AXW05
Date and place of registration....	18 April 1988, Sweden
Date of incorporation .....	1 March 1988
Legal form.....	Swedish public limited liability company
Jurisdiction and laws .....	The Issuer is registered with the Swedish Companies Registration Office (Sw. <i>Bolagsverket</i> ) and operates under the laws of Sweden including, but not limited to, the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i> ) and the Swedish Annual Accounts Act (Sw. <i>årsredovisningslagen (1995:1554)</i> )
Registered office .....	P.O. Box 55625, SE-102 14 Stockholm, Sweden
Head office and visiting address	Sturegatan 38, SE-102 14 Stockholm, Sweden
Phone number.....	+46 (0)8-402 34 60
Website.....	www.compactorfastigheter.se (the information provided at the Issuer's website does not form part of this Prospectus unless explicitly incorporated by reference into the Prospectus)

## Business and operations

### General

The Issuer 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 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 Tardt Förvaltning AB, 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 Issuer is H.J Catering AB, which is wholly owned by the Issuer. The Issuer does not generate revenues itself, and the largest source of income is dividends from its subsidiary Fastpartner, Compactor has received a stable amount of dividends which has grown consecutively during the last decade.

### 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 located in the Stockholm region, where Fastpartner has an extensive experience and expertise. Fastpartner aims at maintaining its focus on Greater Stockholm, where the majority of Fastpartner's future investments will be conducted.

### **Investments in HS Fastigheter**

HS Fastigheter is a wholly owned subsidiary of the Issuer focused on owning and managing investment properties. As of 31 December 2019, the company owned 18 investment properties with an aggregate appraised value of SEK 194 million.

### **Investments in associated companies**

The Issuer has direct or indirect stakes in several associated companies, whereof the more material holdings include Litium AB (publ) (19.3 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), Slättö Fastpartner Spånga AB (40.0 per cent. of the capital and the votes), Slättö Fastpartner Holding AB (40.0 per cent. of the capital and the votes), Slättö Fastpartner II AB (50.0 per cent. of the capital and the votes), Slättö VII AB (1.8 per cent. of the capital and 0.8 per cent. of the votes), Ono Network of Concept AB (30.0 per cent. of the capital and the votes) and Fiberaccessbolaget i Sverige AB (32.1 per cent. of the capital and the votes).

### **Material agreements**

Neither the Issuer nor any other Group Company has entered into any material agreements that are not entered into in the ordinary course of its business, which could result in any Group Company being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Holders under the Terms and Conditions, other than as described below. The following summary does not purport to describe all of the applicable terms and conditions of such agreements.

### **Bond loans**

As of the date of this Prospectus, Fastpartner has four unsecured bond loans with a total outstanding amount of SEK 4,300 million. The bonds are admitted to trading on the corporate bond list and the sustainable bond list of Nasdaq Stockholm (as applicable).

- SEK 600 million unsecured bonds issued by Fastpartner on 8 March 2018 due in September 2021;
- SEK 1,300 million unsecured green bonds initially issued by Fastpartner on 23 November 2018 due in May 2022 within a framework of SEK 1,500 million, including issuance of subsequent bonds in the amount of SEK 300 million on 18 September 2019;
- SEK 1,100 million unsecured bonds initially issued by Fastpartner on 29 April 2019 due in March 2024 within a framework of SEK 1,500 million, including issuance of subsequent bonds in the amount of SEK 200 million on 18 September 2019; and
- SEK 1,300 million unsecured bonds initially issued by Fastpartner on 10 May 2019 due in May 2023 within a framework of SEK 1,500 million, including issuance of subsequent bonds in the amount of SEK 500 million on 18 September 2019.

### **Commercial paper**

On 26 October 2017, Fastpartner entered into an issuing and paying agent agreement with Svenska Handelsbanken AB (publ) and Swedbank AB (publ). In accordance with the agreement, Fastpartner has established a Swedish commercial paper program with a framework of SEK 2,000 million, of which SEK 1,430 million was utilised as of 30 September 2020. In accordance with the agreement, Fastpartner has the opportunity to issue certificates with a maturity of up to (but shorter than) one year.

### **Loan agreements**

In 2019, Fastpartner entered into a SEK 1,200 million green loan agreement with Swedbank AB (publ) with maturity in 2022. The terms contain certain undertakings, for example maintaining the interest rate and loan-to-value ratio and a so-called change of control clause, which means that the lender can demand repayment of the loan in advance if Sven-Olof Johansson ceases to exercise direct or indirect control over the Issuer.

In 2019, Fastpartner entered into a SEK 1,393 million term loan and revolving facilities agreement with Swedbank AB (publ) with maturity in 2021 and 2022. The terms contain certain undertakings, for example maintaining the

interest rate and loan-to-value ratio and a so-called change of control clause, which means that the lender can demand repayment of the loan in advance if Sven-Olof Johansson ceases to exercise direct or indirect control over the Issuer.

In 2020, Fastpartner entered into a SEK 850 million loan agreement with Danske Bank with maturity in 2023. The terms contain certain undertakings, for example maintaining the interest rate and loan-to-value ratio and a so-called change of control clause, which means that the lender can demand repayment of the loan in advance if Sven-Olof Johansson ceases to exercise direct or indirect control over the Issuer.

## Overview of the Group

The Issuer is the ultimate parent company of the Group. As of the date of this Prospectus, the Group consisted of 163 subsidiaries. Below, a simplified group structure is presented relating to the subsidiaries of Fastpartner.

<b>Company</b>	<b>Corporate reg. no.</b>	<b>Registered office</b>	<b>Owned (%)</b>
<b>Fastpartner AB (publ)</b>	<b>556230-7867</b>	<b>Stockholm</b>	
KB Arbetsbasen Väsberga	916618-0837	Stockholm	100
KB Avesta 1 Stockholm	916582-2009	Stockholm	100
Batteriet Fastighetsförvaltning AB	556178-8968	Stockholm	100
Batteriet Hus AB	556055-9519	Stockholm	100
Colonia Fastighet AB	556241-5140	Stockholm	100
Darrgräset Handelsbolag	969649-6810	Stockholm	100
Deamatrix Förvaltning AB	556518-6896	Stockholm	100
Fastighets AB Krejfast	556804-7764	Stockholm	100
Fast Real AB	556840-4395	Stockholm	100
Fastighets AB Bomullsspinneriet	556680-2186	Stockholm	100
Fastighets AB Drillsnäppan	556660-5761	Stockholm	100
Fastpartner Humlet AB	556535-9022	Stockholm	100
Fastighets AB Repslagaregatan	556824-7281	Stockholm	100
Fastighetsbolaget Oljan 2 i Täby AB	556793-1174	Stockholm	100
Fastighetsbolaget Timpenningen 2 KB	916610-5974	Stockholm	100
Fastighetspartner Avaström Holding AB	556651-9723	Stockholm	100
Fastighetspartner Avaström KB	969645-2730	Gävle	100
Fastighetspartner Bromma AB	556682-0956	Stockholm	100
Fastighetspartner Globen AB	556625-5708	Stockholm	100
Fastighetspartner Hallsthammar AB	556214-5580	Stockholm	100
KB Pottegården 3	916557-4972	Göteborg	100
Fastpartner Hässelby AB	556730-8613	Stockholm	100
Fastighetspartner Knivsta-AR AB	556671-8507	Stockholm	100
Fastighetspartner Lunda AB	556669-0656	Stockholm	100
Fastighetspartner Norrköping AB	556231-5902	Stockholm	100
Fastighetspartner Skolfastigheter AB	556661-5521	Stockholm	100
Fastighetspartner Söderhamn Holding KB	969666-8889	Danderyd	100
Fastighetspartner Söderhamn KB	969670-3009	Danderyd	100
Fastighetspartner Täby AB	556204-1177	Stockholm	100
Fastpartner Aga 2 AB	556944-3145	Stockholm	100
Fastpartner Bosgården 1:32 AB	559088-2576	Stockholm	100
Fastpartner Alingsås-Ulricehamn AB	556909-5994	Stockholm	100
Fastpartner Amerika 3 KB	969695-2499	Stockholm	100
Fastpartner Bagaren 7 AB	556529-6356	Stockholm	100
Fastpartner Biskopsgården 46:4 AB	556981-8460	Stockholm	100
Fastpartner Bolmensvägen AB	559049-7375	Stockholm	100
Fastpartner Bredden AB	556876-2917	Stockholm	100
Fastpartner Bredäng AB	556731-1070	Stockholm	100
Fastpartner Brista AB	556822-2466	Stockholm	100

<b>Company</b>	<b>Corporate reg. no.</b>	<b>Registered office</b>	<b>Owned (%)</b>
Fastpartner Bromsten Holding I AB	559079-8962	Stockholm	100
Fastpartner Gustav 1 AB	559079-8889	Stockholm	100
Fastpartner Gustav 1B AB	559079-8871	Stockholm	100
Fastpartner Gustav 1C AB	559079-8897	Stockholm	100
Fastpartner Gustav 1D AB	559079-8921	Stockholm	100
Fastpartner Gustav 1E AB	559079-8939	Stockholm	100
Märstakullen Ekonomisk förening	769636-2339	Stockholm	100
Fastpartner Bromsten Holding II AB	559079-8905	Stockholm	100
Fastpartner Gustav 1F AB	559079-8848	Stockholm	100
Fastpartner Brynäs 124:3 AB	556740-0774	Stockholm	100
Fastpartner Centrum 13 AB	556664-5700	Stockholm	100
Fastpartner Ekenäs 1 AB	559029-9300	Stockholm	100
Fastpartner Ekenäs 2 AB	559029-9292	Stockholm	100
Fastpartner Ekenäs 3 AB	559029-9284	Stockholm	100
Fastpartner Ekenäs 4 AB	559029-9276	Stockholm	100
Fastpartner Ekplantan 2 AB	556664-2723	Stockholm	100
Fastpartner Expansion AB	556259-3060	Stockholm	100
Fastpartner Fagerstagatan 21 AB	556953-0065	Stockholm	100
Fastpartner Fastigheter Märsta AB	556746-6130	Stockholm	100
Fastpartner Frihamnen AB	556556-9596	Stockholm	100
Fastpartner Frösunda Port KB	969690-1629	Stockholm	100
Fastpartner Hammarby-Smedby 1:454 AB	556645-8757	Stockholm	100
Fastpartner Hammarby-Smedby 1:461 AB	556645-9169	Stockholm	100
Fastpartner Hammarby-Smedby AB	556746-8474	Stockholm	100
Fastpartner Haninge AB	556723-3746	Stockholm	100
Fastpartner Hemsta 9:4 AB	556740-0972	Stockholm	100
Fastpartner Högsbo 27:6 AB	556711-3260	Stockholm	100
Fastpartner Importen 3 AB	556985-3509	Stockholm	100
Fastpartner Karis 3 AB	559029-9268	Stockholm	100
Fastpartner Karis 4 AB	559029-9136	Stockholm	100
Fastpartner Kostern 11 AB	556990-7537	Stockholm	100
Fastpartner Kungsängen 40:1 AB	559101-5036	Stockholm	100
Fastpartner Kungsängen 6:10 KB	916671-8511	Stockholm	100
Fastpartner Kålltorp 127:2 AB	556927-9044	Stockholm	100
Fastpartner Kärra 72:33 KB	969695-3398	Stockholm	100
Fastpartner Kärra 78:3 AB	556937-4522	Stockholm	100
Fastpartner Kärra 90:1 KB	969695-4222	Stockholm	100
Fastpartner Luntmakargatan 22-34 AB	556877-0076	Stockholm	100
Fastpartner Malmö I KB	969634-5355	Stockholm	100
Fastpartner Mälardalen AB	556712-1461	Stockholm	100
Fastpartner Mälarporten AB	556417-7201	Stockholm	100
Fastpartner Märsta 24:4 AB	556661-9671	Stockholm	100
Fastpartner Märsta Kontor AB	556822-2474	Stockholm	100
Fastpartner Mälaren 14 AB	556937-4464	Stockholm	100
Fastpartner Pooc AB	559015-9116	Stockholm	100
Fastpartner Reläet 8 AB	559163-0701	Stockholm	100
Fastpartner Ringpärmen 4 HB	916608-4138	Stockholm	100
Fastpartner Rinkeby AB	556731-0296	Stockholm	100
Fastpartner Ritmallen 1 AB	556664-5726	Stockholm	100
Fastpartner Sjöstugan 1 AB	559012-1298	Stockholm	100
Fastpartner Slakthuset 18 AB	556985-3517	Stockholm	100
Fastpartner Slakthuset 19 AB	556985-3525	Stockholm	100
Fastpartner Slakthuset 20 AB	556985-3491	Stockholm	100
Fastpartner Slakthuset 21 AB	556985-3483	Stockholm	100

<b>Company</b>	<b>Corporate reg. no.</b>	<b>Registered office</b>	<b>Owned (%)</b>
Fastpartner Slakthuset 22 AB	556985-3582	Stockholm	100
Fastpartner Solna One AB	556691-9360	Stockholm	100
Fastpartner Solna Port AB	559021-1230	Stockholm	100
Fastpartner Sporren 4 AB	556714-2400	Stockholm	100
Fastpartner Syllen 4 AB	556660-5571	Stockholm	100
Fastpartner Sylten 4:7 KB	969761-5475	Stockholm	100
Fastpartner Sätesdalen 2 AB	556627-7793	Stockholm	100
Fastpartner Sätra 108:23 AB	556766-4718	Stockholm	100
Fastpartner Dragarbrunn 10:3 AB	559029-8583	Stockholm	100
Fastpartner Herrjärva 3 AB	559080-0271	Stockholm	100
Fastpartner Sätra Skolfastigheter AB	559100-5276	Stockholm	100
Fastpartner Tech Center AB	556591-2010	Stockholm	100
Vinsta Stenskärve AB	556725-8685	Stockholm	100
Fastpartner Tensta AB	556731-0734	Stockholm	100
Fastpartner Uppfinnaren 1 AB	556973-5797	Stockholm	100
Fastpartner Valbo-Backa 6:13 AB	556883-5481	Stockholm	100
Fastpartner Verkstäderna 2 KB	969629-4561	Stockholm	100
Fastpartner Västerbotten 19 AB	556661-8087	Stockholm	100
Fastpartner Västra Hindbyvägen 12 AB	556937-4456	Stockholm	100
Fastpartner Älvsjö AB	556731-0619	Stockholm	100
Fastpartner Årsta 76:2 AB	556065-8956	Stockholm	100
Fastprop Holding AB	556706-5072	Stockholm	100
Fastprop Gävle AB	556712-2485	Stockholm	100
KB Gävle Söder Fastighetsförvaltning	916618-9440	Stockholm	100
Gaudeamus AB	556087-6681	Stockholm	100
Fastighetspartner Gävle Holding KB	969666-4177	Stockholm	100
Fastighetspartner Gävle Hemsta KB	969668-0256	Danderyd	100
Fastpartner Flyggodset AB	559161-0810	Stockholm	100
KB Fisken 13 Södertälje	916614-4452	Stockholm	100
Forsdala Företagscenter HB	916524-4691	Stockholm	100
Fredriksten Fastighet AB	556096-0840	Stockholm	100
Förvaltningsbolaget Entuna HB	916600-0381	Stockholm	100
Gävle Näringen 22:2 AB	556718-2448	Stockholm	100
Kebarco AB	556006-9584	Stockholm	100
Landeriet Fastighet AB	556203-2218	Stockholm	100
Landeriet Förvaltning AB	556057-9665	Stockholm	100
Fastighetspartner Amplus AB	556209-8128	Stockholm	100
Batteriet Centrumhus AB	556436-5988	Stockholm	100
Fastighetsbolaget Färgelanda Prästgård KB	969634-0653	Stockholm	100
Fastighetsbolaget Gråbo Centrum KB	969633-4540	Stockholm	100
Landeriet 14 AB	556083-2155	Stockholm	100
Cabinjo Holding AB	556239-5243	Stockholm	100
Nordpartner AB	556535-1938	Stockholm	100
KB Amplus	916557-5953	Göteborg	100
HB Fastighetspartner 11	916629-8092	Stockholm	100
Profundo AB	556199-8146	Stockholm	100
KB Lerkrogen Fastighetsförvaltning	916618-0860	Stockholm	100
Märsta Centrum AB	556106-8817	Stockholm	100
Märsta 1:198 AB	556848-9636	Stockholm	100
HB Näringshuset	916637-2897	Stockholm	100
Partnerfastigheter NF AB	556139-1722	Stockholm	100
KB Päronet 2	916613-9023	Stockholm	100
HB Robertsfors Fastighetsförvaltning	916618-9465	Stockholm	100
HB Skebo Fastighetsförvaltning	916618-9473	Stockholm	100

<b>Company</b>	<b>Corporate reg. no.</b>	<b>Registered office</b>	<b>Owned (%)</b>
HB Solhem Fastighetsförvaltning	916618-9424	Stockholm	100
Standard Fastighet i Märsta AB	556067-2221	Stockholm	100
Storheden Invest AB	556047-1087	Stockholm	100
Sätra Hälsfastigheter AB	556704-8748	Stockholm	100
Vallentuna Centrum AB	556684-3420	Stockholm	100
Vallentuna 1:472 AB	556778-9309	Stockholm	100
Vallentuna 1:474 AB	556698-8175	Stockholm	100
Vallentuna 1:7 AB	556698-8100	Stockholm	100
Vallentuna Prästgård 1:130 AB	556698-8159	Stockholm	100
Vatellus Holding AB	556698-5379	Stockholm	100
Vatellus AB	556549-0538	Stockholm	100
Vexillum Duo AB	556680-9355	Stockholm	100

The Group's operations are conducted through, and the majority of revenues of the Issuer emanates from, the Issuer's operational subsidiaries. The Issuer is thus dependent on its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.

## **Recent events particular to the Issuer**

There have been no recent events particular to the Issuer, which are to a material extent relevant to the evaluation of the Issuer's solvency.

## **Material adverse changes, significant changes and trend information**

There has been no material adverse change in the prospects of the Issuer since the date of publication of its last audited financial report.

There have been no significant changes in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of this Prospectus and there have been no significant changes in the financial position of the Group which has occurred since the end of the last financial period for which the Group has published interim financial information.

There has been no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for the current financial year. However, the spread of the new corona virus is a great concern to the world, not only due to its impact on people's lives and habits but also in terms of the impact on society as well as the future economic development. The economic impact of the virus is not yet known and is difficult to estimate due to the high degree of uncertainty surrounding the situation.

## **Governmental, legal or arbitration proceedings**

The Group has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the previous twelve (12) months from the date of this Prospectus, which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.

## **Credit rating**

In September 2020, the Issuer received the credit rating "BBB-" (stable outlook) from the international credit rating agency Scope Ratings GmbH. Scope Ratings GmbH is a credit rating agency established within the EU and registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. The Issuer has thus received a credit rating from Scope Ratings corresponding to "Investment Grade". An official rating in the category "Investment Grade" is considered to be good for the Issuer as it enables even better access to the capital market, which means lower refinancing risk and enables lower financing costs and longer capital durations.

# OWNERSHIP STRUCTURE

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## Ownership structure

As of the date of this Prospectus, Sven-Olof Johansson owns 750 shares equal to 75 per cent. of the shares and votes in the Issuer and Christina Fahlander-Johansson owns 250 shares equal to 25 per cent. of the shares and votes in the Issuer.

The shareholders' influence is exercised through active participation in the decisions made at the general meetings of the Issuer. To ensure that the control over the Issuer is not abused, the Issuer complies with the relevant laws in Sweden including among others the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).

## Shareholders' agreements

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

# THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITORS

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## General

The board of directors of the Issuer currently consists of three (3) board members and one (1) deputy board member, appointed for the period until the close of the annual general meeting 2021. The executive management currently consists of two (2) persons.

The division of duties between the board of directors and the CEO follows Swedish law and is set out in the rules of procedure for the board of directors and instructions for the CEO. The CEO and the CFO are responsible for the Issuer's ongoing management and operations, reports to the board of directors and are required to manage the operations in accordance with the board of directors' guidelines and instructions as well as provide the board with decision-aiding materials. The board of directors and the executive management may be contacted through the Issuer at its head office at Sturegatan 38, SE-102 14 Stockholm, Sweden.

## Board of directors

The section below presents the members of the board of directors, their position, their significant assignments outside the Issuer, which are relevant for the Issuer, and their shareholdings in the Issuer.

### Overview

<b>Name</b>	<b>Position</b>	<b>Shareholdings</b>
Sven-Olof Johansson	Chairman	750 shares
Christopher Johansson	Board member	-
Henrik Johansson	Board member	-
Christina Fahlander-Johansson	Deputy board member	250 shares

### Members of the board of directors

#### Sven-Olof Johansson

Sven-Olof Johansson has been chairman of the board of directors since 2017.

Other relevant assignments: CEO in Fastpartner AB (publ), Chairman, board member and CEO in subsidiaries to Fastpartner AB (publ), chairman in Centralparken Täby III-IV AB, Slättö Fastpartner Spånga AB and Slättö Fastpartner Holding AB, board member and CEO in Robarco AB, Hjulsbro Byggtjänst AB and Ranchen.com Tobo Gård AB, board member in Autoropa AB, Autoropa Holding AB, STC Interfinans AB, Svenska stadshotell AB, Adam Care AB, Hotell Larmvall AB, SRU Intressenter AB, One Network Of Concept AB, One Network Of Holding AB, Samhällsbyggnadsbolaget i Norden AB, Slättö Fastpartner II AB and Märstakullen Ekonomisk förening, deputy board member in Colinasverdes AB and specially authorised signatory in Bostadsbyggarna Fastpartner - Besqab Handelsbolag.

Shareholdings: 750 shares in the Issuer.

#### Christopher Johansson

Christopher Johansson has been a member of the board of director since 2012.

Other relevant assignments: Deputy CEO in Fastpartner AB (publ), board member in Litium AB (publ) and deputy board member in Hjulsbro Byggtjänst AB, Landerietgruppens Hyresredovisning AB, Adam Care AB, One Network Of Holding AB, One Network of Concept AB and Retso HB.

Shareholdings: -

#### Henrik Johansson

Henrik Johansson has been a member of the board of directors since 2012.

Other relevant assignments: CEO in Henrik och Sven-Olof Fastigheter AB.

Shareholdings: -



### **Christina Fahlander-Johansson**

Christina Fahlander-Johansson has been a deputy member of the board of directors since 2012.

Other relevant assignments: -

Shareholdings: 250 shares in the Issuer.

## **Executive management**

The section below presents the members of the executive management, including the year each person became a member of the executive management, their significant assignments outside the Issuer, which are relevant for the Issuer, and their shareholdings in the Issuer.

### **Overview**

<b>Name</b>	<b>Position</b>	<b>Shareholdings</b>
Christopher Johansson	CEO	-
Daniel Gerlach	CFO	-

### **Members of the executive management**

#### **Christopher Johansson**

Christopher Johansson has been CEO since 2017. For more information, please see the section “*Board of directors*” above.

#### **Daniel Gerlach**

Daniel Gerlach has been CFO since 2017.

Other relevant assignments: CFO in Fastpartner AB (publ), deputy board member in subsidiaries to Fastpartner AB (publ) and Slättö Fastpartner II AB.

Shareholdings: -

## **Conflicts of interests within administrative, management and control bodies**

None of the members of the board of directors or the executive management of the Issuer has a private interest that may be in conflict with the interests of the Issuer. However and as described above, certain members of the board of directors or the executive management of the Issuer have financial interests in the Issuer as a consequence of their holdings of shares in the Issuer. Furthermore, the board members and executive management of the Issuer (Sven-Olof Johansson, Christopher Johansson, Henrik Johansson and Christina Fahlander-Johansson) are relatives and are also holding positions in other Group Companies.

Although there are currently no conflicts of interest between any duties to the Issuer of the members of the board of directors or the executive management, and any of their other duties, it cannot be excluded that conflicts of interest may arise in the future between companies, in which members of the board of directors or the executive management of the Issuer have duties, and the Issuer.

## **Auditor**

The Issuer’s auditor is Deloitte AB with Johan Telander as the auditor in charge. Johan Telander is a member of FAR (the professional institute for authorised public accountants in Sweden). Deloitte AB was elected as the Issuer’s auditor at the annual general meeting 2019 and has been the Issuer’s auditor since 1994. The business address of Deloitte AB is Rehnsgatan 11, SE-113 57 Stockholm, Sweden.

# SUPPLEMENTARY INFORMATION

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## Information about the Prospectus

This Prospectus has been approved by the SFSA as competent authority under Regulation (EU) 2017/1129. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. The SFSA's approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

## Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the issuance of the Bonds and the performance of its obligations relating thereto. The issuance of the Bonds on 24 September 2020 was resolved upon by the board of directors of the Issuer on 14 September 2020.

The board of directors of the Issuer is responsible for the information contained in the Prospectus. The board of directors of the Issuer declares that, to the best of its knowledge, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. The board of directors of the Issuer is responsible for the information given in the Prospectus only under the conditions and to the extent set forth in Swedish law.

## Information from third parties

Any information in this Prospectus which has been sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Interest of natural and legal persons involved in the bond issue

Swebank AB (publ) and Arctic Securities AS, filial Sverige and their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of Swebank AB (publ) and Arctic Securities AS, filial Sverige and/or its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

## Documents available for inspection

Copies of the following documents are available at the Issuer's head office in paper format during the validity period of this Prospectus and also available in electronic format at the Issuer's website, [www.compactorfastigheter.se](http://www.compactorfastigheter.se).

- The Issuer's articles of association.
- The Issuer's certificate of registration.
- The Group's consolidated audited annual report for the financial year ended 31 December 2019, including the applicable audit report.
- The Group's consolidated audited annual report for the financial year ended 31 December 2018, including the applicable audit report.

# FINANCIAL INFORMATION

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## Historical financial information

The Group's consolidated audited annual reports for the financial years ended 31 December 2018 and 31 December 2019 have been incorporated in this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

All financial information in this Prospectus relating to the financial period 1 January – 31 December 2019 or as of 31 December 2019 derives from the Groups consolidated audited annual reports for the financial years ended 31 December 2019. All financial information in this Prospectus relating to the financial period 1 January – 30 June 2020 or as of 30 June 2020 derives from the Groups consolidated unaudited interim report for the financial period 1 January – 30 June 2020 or constitutes the Group's internal financial information and has not been audited or reviewed by the Issuer's auditor.

## Accounting standards

The financial information for the financial years ended 31 December 2018 and 31 December 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC), as adopted by the European Union and in accordance with the Estonian Accounting Act. In addition, the financial information for the financial years ended 2018 and 2019 have been prepared in accordance with the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups.

## Auditing of the historical financial information

The Group's consolidated audited annual reports for the financial years ended 31 December 2018 and 31 December 2019 have been audited by Deloitte AB, with Johan Telander as the auditor in charge. Unless otherwise explicitly stated, no other information contained in this Prospectus has been audited or reviewed by the Issuer's auditor.

## Incorporation by reference

The following information in the Group's consolidated audited annual reports for the financial years 2018 and 2019 is incorporated in this Prospectus by reference and is available at the Issuer's website, [www.compactorfastigheter.se/investor-relations/finansIELla-rapporter/](http://www.compactorfastigheter.se/investor-relations/finansIELla-rapporter/). For particular financial figures, please refer to the pages set out below.

Reference	Pages
<b>The Group's consolidated annual report 2019</b>	
Consolidated income statement	19
Consolidated balance sheet	20-21
Consolidated cash flow statement	23
Consolidated changes in equity	22
Accounting principles	29
Notes	29-64
Auditor's report	65-68
<b>The Group's consolidated annual report 2018</b>	
Consolidated income statement	18

<b>Reference</b>	<b>Pages</b>
Consolidated balance sheet	19-20
Consolidated cash flow statement	22
Consolidated changes in equity	21
Accounting principles	28
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Auditor's report	69-72

# **TERMS AND CONDITIONS FOR THE BONDS**

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**Compactor Fastigheter AB (publ)**

**Maximum SEK 1,000,000,000**

**Senior Unsecured Callable Floating Rate Bonds 2020/2023**

ISIN: SE0013914629

First Issue Date: 24 September 2020

## **SELLING RESTRICTIONS**

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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. 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.

## **PRIVACY STATEMENT**

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Each of the Issuer, the Agent and the Issuing Agent may collect and process personal data relating to the Bondholders, the Bondholders' representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders is primarily collected from the registry kept by the CSD. The personal data relating to other Persons is primarily collected directly from such Persons.

The personal data collected will be processed by the Issuer, the Agent and the Issuing Agent for the following purposes (i) to exercise their respective rights and fulfil their respective obligations under the Finance Documents, (ii) to manage the administration of the Bonds and payments under the Bonds, (iii) to enable the Bondholders to exercise their rights under the Finance Documents and (iv) to comply with its obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent and the Issuing Agent in relation to items (i) to (iii) above is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to item (iv), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Agent or the Issuing Agent (as applicable). Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer, the Agent or the Issuing Agent (as applicable). In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format.

Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Agent's and the Issuing Agent's addresses, and the contact details for their respective data protection officers (if applicable), are found on their respective websites: [www.compactorfastigheter.se](http://www.compactorfastigheter.se), [www.nordictrustee.com](http://www.nordictrustee.com) and [www.swedbank.com](http://www.swedbank.com).

# TERMS AND CONDITIONS

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## 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, in respect of any Person, 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 First Issue Date between the Issuer and the Agent, or any replacement agent agreement entered into after the First 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, including the Initial Bonds and any Subsequent Bonds.

“**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-Delisting Event**” means the situation where the Bonds at any time from the admission to trading cease to be admitted to trading 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**” means that 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) an amount equivalent to the sum of (i) 101.00 per cent. of the Nominal Amount and (ii) the remaining scheduled interest payments from the relevant Redemption Date up to, but not including, the First Call Date, if the Call Option is exercised after Existing Bonds Redemption Date to, but not including, 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),

where, for the purpose of calculating the remaining interest payments pursuant to paragraph (a) above, it shall be assumed that the Interest Rate for the period from the relevant Redemption Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders.

“**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 13.1.

“**Existing Bonds**” means the Issuer’s existing SEK 500,000,000 senior unsecured callable floating rate bonds 2017/2020 with ISIN SE0010442046.



“**Existing Bonds Redemption Date**” means the date when the Existing Bonds have been redeemed in full.

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

“**Final Redemption Date**” means 24 September 2023.

“**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 lease or hire purchase contract which would, in accordance with the Accounting Principles in force on the First Issue Date, be treated as a balance sheet liability;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised 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 12.10.1.

“**First Call Date**” the date falling three (3) months prior to the Final Redemption Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“**First Issue Date**” means 24 September 2020 or such other date as is agreed between the Issuing Agent and the Issuer.

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

“**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 16 (*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.

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

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

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

“**Interest Payment Date**” means 24 September, 24 December, 24 March and 24 June 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 24 December 2020 and the last Interest Payment Date being the Final Redemption Date (or any final Redemption Date prior thereto)).

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

“**Interest Rate**” means a floating rate of STIBOR (3 months) + 250 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 the First Issue Date or any date when Subsequent Bonds are issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

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

“**Issuing Agent**” means Swedbank AB (publ) (reg. no. 502017-7753) 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 12.5.

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

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

- (a) the Initial Bonds have not been admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the First Issue Date; or
- (b) any Subsequent Bonds have not been admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the Issue Date in respect of such Subsequent Bonds.

“**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).

“**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 gross proceeds from the offering of the relevant Bonds minus (i) in respect of the Initial Bond Issue, the costs incurred by the Issuer in conjunction with the issuance thereof and (ii) in respect of any Subsequent Bond Issue, the costs incurred by the Issuer in conjunction with the issuance thereof.

“**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 First Issue Date), or (ii) any other period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 14 (*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 11 (*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 2014/65/EU on markets in financial instruments (MiFID II), as amended).

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

“**Subsequent Bond Issue**” means any issue of Subsequent Bonds.

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

“**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.

“**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.

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

## 1.2 Construction

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive (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.
- 1.2.6 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Holders and the Agent.

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

- 2.1 The aggregate amount of the bond loan will be an amount of up to SEK 1,000,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,250,000 or full multiples thereof (the “**Nominal Amount**”). The total nominal amount of the Initial Bonds is SEK 750,000,000 (the “**Initial Bond Issue**”).
- 2.2 All Initial Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- 2.3 The minimum permissible investment in connection with the Bond Issue is SEK 1,250,000.
- 2.4 The ISIN for the Bonds is SE0013914629.
- 2.5 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.6 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.7 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.
- 2.8 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 1,000,000,000 always provided that (i) no Event of Default is continuing or would result from the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing or from the Subsequent Bond Issue; and (ii) the Incurrence Test (calculated *pro forma* including such issue) is met. Subsequent Bonds shall be issued subject to these Terms and Conditions and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the final maturity applicable to the Initial Bonds shall apply also to Subsequent Bonds. The price

of Subsequent Bonds may be set at the Nominal Amount or at a discount or at a higher price than the Nominal Amount.

### **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**

4.1 The Net Proceeds of the Initial Bond Issue shall be used towards:

- (a) refinancing the Existing Bonds; and
- (b) general corporate purposes, including acquisitions of shares and real estate assets.

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

### **5. CONDITIONS FOR DISBURSEMENT**

#### **5.1 Conditions Precedent for the Initial Bond Issue**

5.1.1 The Issuer shall provide to the Agent, before 11.00 a.m. two (2) Business Days prior to the First Issue Date (or such later time as agreed by the Agent) the following:

- (a) the Terms and Conditions duly executed by the Issuer and the Agent;
- (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Initial Bonds, the terms of the Bonds (including the Terms and Conditions), and resolving to authorise the relevant person(s) to enter into such documents and any other documents necessary in connection therewith; and
- (c) copies of the articles of association and certificate of incorporation of the Issuer.

5.1.2 The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.1.1 have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)). The First Issue Date shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent no later than 11.00 a.m. one (1) Business Day prior to the First Issue Date (or later, if the Issuing Agent so agrees) or (ii) if the Issuing Agent and the Issuer agree to postpone the First Issue Date.

5.1.3 Following receipt by the Issuing Agent of the confirmations in accordance with Clauses 5.1.2, the Issuing Agent shall settle the issuance of the Initial Bonds and pay the Net Proceeds of the Initial Bond Issue to the Issuer on the First Issue Date.

#### **5.2 Conditions Precedent for a Subsequent Bond Issue**

5.2.1 The Issuer shall provide to the Agent, before 11.00 a.m. two (2) Business Days prior to the relevant Issue Date for any Subsequent Bonds (or such later time as agreed by the Agent) the following:

- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith;
- (b) copies of the articles of association and certificate of incorporation of the Issuer; and

- (c) a certificate from the Issuer confirming that (i) no Event of Default is continuing or would result from the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing or from the Subsequent Bond Issue; and (ii) the Incurrence Test (calculated *pro forma* including such issue) is met.

5.2.2 The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.2.1 have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and waivers*)). The relevant Issue Date shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent no later than 11.00 a.m. one (1) Business Day prior to the relevant Issue Date (or later, if the Issuing Agent so agrees) or (ii) if the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.

5.2.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.2.2, the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds of such Subsequent Bond Issue to the Issuer on the Issue Date in respect of such Subsequent Bonds.

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

6.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.

6.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.

6.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.

6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

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

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

7.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.

7.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right

to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.

- 7.3 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.
- 7.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under 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.
- 7.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.
- 7.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.
- 7.7 The Issuer and the Agent may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

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

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

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

- 9.1 Any payment or repayment under 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.
- 9.2 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. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall



procure that such amounts are paid to the Persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.

- 9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 10.4 during such postponement.
- 9.4 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- 9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax.

## **10. INTEREST**

- 10.1 The Initial Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.
- 10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 10.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). Interest shall never be calculated as being an amount less than zero (0).
- 10.4 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.

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

### **11.1 Redemption at maturity**

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

### **11.2 The Group'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.

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

11.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day falling after the Existing Bonds Redemption Date, but before the Final Redemption Date, at the applicable Call Option Price together with accrued but unpaid Interest.

11.3.2 Redemption in accordance with Clause 11.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

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

11.4.1 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 12.10.1. 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.

11.4.2 The notice from the Issuer pursuant to paragraph (e) of Clause 12.10.1 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 12.10.1. The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 11.4.1.

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

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

## 12. **SPECIAL UNDERTAKINGS**

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

### 12.1 **Distributions**

The Issuer shall not, and shall procure that none of 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 (paragraphs (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 paragraph (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.

## 12.2 **Admission to trading of the Bonds**

The Issuer shall ensure (i) that the Initial Bonds and any Subsequent Bonds are admitted to trading 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 relevant Issue Date and (ii) that the Bonds, once admitted to trading on the relevant Regulated Market, continue being admitted 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).

## 12.3 **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 First Issue Date.

## 12.4 **Debt restrictions**

The Issuer shall not and shall ensure that no Subsidiary (other than Fastpartner) (i) issue any Market Loans (excluding, for the avoidance of doubt, the Existing Bonds and any issue of Subsequent Bonds) 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.

## 12.5 **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.

## 12.6 **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 12.10.2) and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

## 12.7 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.

## 12.8 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 or admitted to trading, and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

## 12.9 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 2020.

## 12.10 Financial reporting etcetera

### 12.10.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, 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 2020);
- (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).

12.10.2 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 12.6 (*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 paragraph (ii) above.

#### 12.11 **Agent Agreement**

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

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

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

#### 12.12 **CSD related undertakings**

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

### 13. **TERMINATION OF THE BONDS**

13.1 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 13.6 or 13.7, 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) (*Merger and demergers*) of this Clause 13.1 or (ii) a permitted disposal as stipulated in Clause 12.6 (*Disposals of assets*)).

- 13.2 The Agent may not terminate the Bonds in accordance with Clause 13.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently).
- 13.3 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.
- 13.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 13.1 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 13.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 13.1 and provide the Agent with all documents that may be of significance for the application of this Clause 13.
- 13.5 The Issuer is only obliged to inform the Agent according to Clause 13.4 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 13.4.
- 13.6 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 13.1, 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 15 (*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.
- 13.7 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 15 (*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.

- 13.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 13, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 13.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 13 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 15 (*Decisions by Holders*).
- 13.10 If the Bonds are declared due and payable, the Issuer shall redeem all Bonds with an amount per Bond equal to paragraph (b) of the definition of 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).

## **14. DISTRIBUTION OF PROCEEDS**

- 14.1 If the Bonds have been declared due and payable in accordance with Clause 13 (*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.

- 14.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1.
- 14.3 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 14 as soon as reasonably practicable.
- 14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be



paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

## **15. DECISIONS BY HOLDERS**

15.1 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.

15.2 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.

15.3 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.

15.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (Right to act on behalf of a Holder) from a Person who is, registered as a Holder:

- (a) on the Business Day specified in the notice pursuant to Clause 16.3, in respect of a Holders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 17.3, 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.

15.5 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 17.3:

- (a) waive a breach of or amend an undertaking set out in Clause 12 (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 15.5 or 15.6.

15.6 Any matter not covered by Clause 15.5 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 paragraph (a), (b) or (c) of Clause 18.1) or a termination of the Bonds.

- 15.7 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 15.6.
- 15.8 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 15.5, 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.
- 15.9 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 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), 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 15.8 shall not apply to such second Holders' Meeting or Written Procedure.
- 15.10 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.
- 15.11 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.
- 15.12 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.
- 15.13 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.
- 15.14 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.
- 15.15 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.
- 15.16 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.

## **16. HOLDERS' MEETING**

- 16.1 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.
- 16.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 16.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 19.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 15.1.
- 16.3 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.
- 16.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 16.5 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.
- 16.6 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.
- 16.7 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.

## **17. WRITTEN PROCEDURE**

- 17.1 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.

- 17.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17.1 to each Holder with a copy to the Agent.
- 17.3 A communication pursuant to Clause 17.1 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 17.1), (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 17.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 17.4 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.
- 17.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clause 15.5 and 15.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.5 or 15.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **18. AMENDMENTS AND WAIVERS**

- 18.1 The Issuer and the Agent (acting on behalf of the 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 15 (*Decisions by Holders*).
- 18.2 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.
- 18.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to 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.

- 18.4 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.

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

### **19.1 Appointment of Agent**

- 19.1.1 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.

- 19.1.2 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.

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

- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in 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.

- 19.1.5 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.

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

- 19.2.1 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.

- 19.2.2 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.

- 19.2.3 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.

- 19.2.4 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.

- 19.2.5 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.
- 19.2.6 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.
- 19.2.7 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.
- 19.2.8 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.
- 19.2.9 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 14 (*Distribution of proceeds*).
- 19.2.10 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.
- 19.2.11 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.
- 19.2.12 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.
- 19.2.13 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 19.2.12.

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

- 19.3.1 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.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by 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.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to 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.
- 19.3.4 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 13.1 or Clause 15 (*Decisions by Holders*).
- 19.3.5 The Agent is not liable for information provided to the Holders by or on behalf of the Issuer or by any other person.
- 19.3.6 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.

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

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the 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.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A 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.
- 19.4.4 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.

- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of 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.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under 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.

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

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

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

- 21.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 21.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any 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*).

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

- 22.1 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.

- 22.2 Clause 22.1 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 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement or by any reason described in Clause 19.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.13 before a Holder may take any action referred to in Clause 22.1.
- 22.3 The provisions of Clause 22.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 11.4 (*Mandatory repurchase due to a Change of Control Event, Bond De-listing Event or Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Holders.

## **23. TIME-BAR**

- 23.1 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.
- 23.2 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.

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

### **24.1 Notices**

- 24.1.1 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.
- 24.1.2 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 24.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 24.1.1.

24.1.3 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.

## 24.2 **Press releases**

24.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 11.3, 11.4, 12.10.1 (e), 13.6, 14.4, 15.15, 16.1, 17.1, 18.3, 19.2.10 and 19.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

24.2.2 In addition to Clause 24.2.1, if any information relating to the 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.

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

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

25.2 The Issuing Agent shall have no liability to the 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.

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

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

## 26. **LISTING**

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

## **27. GOVERNING LAW AND JURISDICTION**

- 27.1 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.
- 27.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 27.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 27.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.
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# ADDRESSES

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## **Issuer**

**Compactor Fastigheter AB (publ)**  
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## **Auditor**

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Rehngatan 11, SE-113 57 Stockholm, Sweden

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## **Issuing agent and bookrunner**

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## **Legal advisor**

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