



**Cibus Nordic Real Estate AB (publ)**

relating to the listing of up to EUR 135,000,000  
Senior Unsecured Floating Rate Bonds due 2021

ISIN: SE0010740530

**Issuing Agent and Sole Bookrunner**



Prospectus dated 5 April 2019

## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Cibus Nordic Real Estate AB (publ) (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Sweden, having its headquarters located at the address, c/o Pareto Business Management, Box 7415, 103 91 Stockholm, Sweden, with reg. no. 559135-0599, in relation to the application for the listing of the senior unsecured floating rate bonds denominated in EUR (the "**Bonds**") on the corporate bond list on Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Pareto Securities AB has acted as sole bookrunner in connection with the issue of the Bonds (the "**Sole Bookrunner**"). This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) (the "**Trading Act**") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Regulation**"). The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA's website ([fi.se](http://fi.se)) and the Issuer's website ([cibusnordic.com](http://cibusnordic.com)).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 6 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Issuer's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, references to "**EUR**" refer to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to "**SEK**" refer to Swedish krona, and references to "**USD**" refer to American Dollars.

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

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

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

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

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the 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 of, or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group's operations. Such factors of a significant nature are mentioned in the section "**Risk factors**" below.

Interest payable on the Bonds will be calculated by reference to EURIBOR. As at the date of this Prospectus, the administrator of EURIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011.

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

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## Definitions

|   |   |
|---|---|
| <b>Anchor Tenants</b>                     | Kesko, S-Group and Tokmanni, which are direct or indirect, through its affiliates, counterparties under each lease agreement  |
| <b>Asset Management Agreement</b>         | The advisory agreement between the Asset Manager Finland and, <i>inter alia</i> , the Company regarding the management of the Portfolio   |
| <b>Asset Manager Finland</b>              | Sirius Retail Asset Management Oy, corporate identification number 2867072-7  |
| <b>Business Manager</b>                   | Pareto Business Management AB, corporate identification number 556742-5581  |
| <b>Company Costs</b>                      | All costs related to the management of the Group, which are not defined as Property Related Costs, for example the fees to the Business Manager, the Asset Manager Finland, the Property Manager Finland and other necessary Finnish and Swedish administration costs |
| <b>Corporate Administration Agreement</b> | The corporate administration agreement between the Business Manager and the Company regarding the management of the Group   |
| <b>CPI</b>                                | Finnish cost-of-living index published by Statistics Finland  |
| <b>EBITDA</b>                             | Earnings on a consolidated basis before interest, taxes, depreciation and amortisation of eventual goodwill   |
| <b>Kesko</b>                              | Kesko Oyj, corporate identification number 0109862-8  |
| <b>Lease Agreements</b>                   | All lease agreements in the Portfolio   |
| <b>MREC</b>                               | Shall have the meaning ascribed thereto in section " <i>Description of the Group</i> ", subsection " <i>Finnish real estate companies</i> "   |
| <b>NOI</b>                                | Net operating income, being all amounts payable to the Group arising from or in connection with any lease, less any Property Related Costs  |
| <b>Portfolio or Properties</b>            | The 132 properties owned by the Group at the date of this Prospectus.   |
| <b>Property Management Agreement</b>      | The service agreement between the Property Manager Finland and the Company regarding the property and financial management of the Portfolio   |

|                                      |   |
|--------------------------------------|---|
| <b>Property Manager Finland</b>      | Colliers International Finland Oy, corporate identification number 0420052-8  |
| <b>Property Related Costs</b>        | All operating costs (excluding costs Company Costs and capital expenditures) connected to the handling of the Portfolio   |
| <b>REC</b>                           | Shall have the meaning ascribed thereto in section " <i>Description of the Group</i> ", subsection " <i>Finnish real estate companies</i> "   |
| <b>S-Group</b>                       | The 20 regional and local cooperatives, several corporate identification numbers, and Suomen Osuuskappojen Keskuskunta (SOK Corporation), corporate identification number 0116323-1 |
| <b>Senior Secured Bank Financing</b> | The senior secured bank financing of approximately EUR 355,000,000 incurred by the Group  |
| <b>Tenants</b>                       | The Anchor Tenants and all other tenants of the Portfolio   |
| <b>Tokmanni</b>                      | Tokmanni Oy, corporate identification number 1928426-9  |

## RISK FACTORS

*Investing in the Bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect the Group. These risk factors include, but are not limited to, financial risks, technical risks, risks related to the business operations of the Group and regulatory risks. If any of these or other risks or uncertainties actually occurs, the business, operating results and financial condition of the Group could be materially and adversely affected, which could have a material adverse effect on the Group's ability to meet its obligations (including repayment of the principal amount and payment of interest) under the Bonds. Other risks not presently known to the Group and therefore not discussed herein, may also adversely affect the Group and adversely affect the price of the Bonds and the Group's ability to service its debt obligations. Prospective investors should consider carefully the information contained in this Prospectus and make an independent evaluation before making an investment decision. As stated above, this Prospectus may contain various forward-looking statements, including statements regarding the intent, opinion, belief or current expectations of the Group or its management with respect to, among other things, (i) the Group's target market, (ii) evaluation of the Group's markets, competition and competitive position, (iii) trends which may be expressed or implied by financial or other information or statements contained herein. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and outcomes to be materially different from any future results, performance or outcomes expressed or implied by such forward-looking statements.*

### **Risks relating to the Group and the market**

#### **Limited operating history**

The Issuer is in a development stage and has only conducted business since the beginning of 2018 for the purpose of carrying out the business plan contained in this Prospectus. The Issuer has a short operating history and is therefore depending on the CEO, the Business Manager and the Asset Manager Finland in order to carry out its business plan and conduct its day-to-day business.

#### **Market risk**

Real estate investment risk is linked to the value of the real estate. This risk can thus be defined as those factors that influence property valuations. The main factors are the supply and demand for commercial properties, as well as the yield that investors are willing to accept when purchasing real estate. The real estate market is influenced by the vacancy rate in the market. The vacancy rate is in turn influenced by several factors on both a micro and macro level. Negative changes in the general economic situation, including business and private spending, may adversely affect the demand for commercial premises. The free capacity is also influenced by construction and refurbishment activity. Further, the real estate market is influenced by the demand for the type of real estate that the Group owns. During certain periods there might be fierce competition for a few real estate objects, and it might be difficult to purchase desired objects at the desired price. In other periods, it might be difficult to sell real estate objects at the desired price. A decrease in the value of the Properties would adversely affect the valuation of the Group's property portfolio and hence affecting the Group's financial condition negatively.

#### **Operational risk**

The financial status and strength of the tenants and thus their ability to service the rent etc., will always be a decisive factor when evaluating the risk of property companies. The operational risk also include risk related to restrictions in lease agreements, risk related to legal claims from tenants or authorities, including tax authorities and other third parties, risk of increased maintenance and repair costs, risk of decreased technical conditions and risk of hidden defects, emissions and hazardous substances. The Group Companies are dependent on agreements entered into with third parties, such

as connection, supply, maintenance and land lease agreements. There is a risk that such third parties exercise their specific rights or may not fulfil their obligations under these agreements. As a result, this may cause damage to the Properties which, in turn, would have an adverse effect on the Group's financial conditions.

The Lease Agreements relating to the Properties have been entered into with different tenants with more than 90% of the Properties anchored by (i) Kesko, (ii) Tokmanni, and (iii) S-Group making the Group dependable on any of these tenants and their ability to perform their obligations under the Lease Agreements (e.g. service rent). There is a risk that many Properties would become vacant should either of Tokmanni, Kesko and S-Group suffer financial distress. Should either of Tokmanni, Kesko or S-Group be unable to perform their obligations under the Lease Agreements, this would have an adverse effect on the Group's financial conditions.

There are certain risks involved with obtaining new tenants. New potential tenants might imply higher counterparty risks, and the Group's ability to successfully negotiate new lease agreements on favourable terms is dependent upon the general condition of the real estate market at such time. Further, the premises may have to be renovated and adjusted to serve a new tenant, or several tenants instead of a few tenants. Such investments would affect the Group's financial condition negatively.

Most Lease Agreements of the Portfolio are adjusted annually with 100% of Finnish CPI. Since the rental income of the Portfolio is to a large extent directly affected by changes in the CPI, deviations from the estimated CPI may have a negative effect on the Group's liquidity and ability to pay interest under the Bonds due to the direct effect of the Finnish CPI on the rental income. Further, although the vast majority of the Lease Agreements stipulate that changes in the CPI cannot decrease the rents, there are some lease agreements under which the rent may decrease, if the CPI value decreases.

Some of the agreements concluded by the Group companies allow the counterparty to transfer the agreements or rights and obligations thereunder (including provisions on reletting and subletting the premises leased under the Lease Agreements) to a third party who may not have the same financial and other conditions required to fulfil the contractual obligations as the original party to the agreement.

In some of the agreements concluded by the Group Companies, actions and conditions outside the control of the Group may trigger premature termination rights of the counterparties (including break options of the tenants in the Lease Agreements) or specific contractual obligations for the Group (such as clean-up obligations upon expiry of land lease agreements).

If any of the above mentioned risks would materialise, this may in accordance with what is set out above affect the Issuer's earnings and financial position negatively, which may, alone or together, have an adverse effect on the Issuer's financial position and ability to repay the Bond Financing.

### **Missing and terminated lease security**

Several lease security under the Lease Agreements are either missing or have expired, and some lease agreements do not require a lease security to be provided. Therefore, the relevant Group Companies may not have security for breaches by tenants under certain Lease Agreements. As a consequence, to the extent no lease security is valid in relation to a lease agreement, the Group Companies acting as landlords under the Lease Agreements may incur unforeseen loss due to a tenant's inability or lack of willingness to fulfil its obligations, such as payment of rent, set out in a lease agreement. This, in turn, would have a negative effect on the Group's liquidity and ability to pay interest under the Bonds.

**Financing risk**

Financial risk includes, but is not limited to, risk of not achieving the desired leverage ratio, not fulfilling loan or bond obligations, interest rate fluctuations, risk related to effects of fair value adjustments and changes in laws and rules regarding tax and duties. Additional capital needs, due to for example unforeseen costs and/or larger capital expenditures than initially expected, cannot be ruled out. There is a risk that the Group cannot satisfy such additional capital need on favourable terms, or at all, which would have an adverse effect on the Group's business, financial condition and ability to pay interest under the Bonds.

**Refinancing risk**

At maturity of the Group's debts, the Group will be required to refinance such debt, including the Bonds. The Group's ability to successfully refinance such debt is dependent on the conditions of the financial markets in general at such time. As a result, there is a risk that the Group's access to financing sources at a particular time may not be available on favourable terms, or available at all.

The Group will also, in connection with a refinancing of its debts, be exposed to interest risks on interest bearing current and non-current liabilities. Changes in interest rates on the Group's liabilities will affect the Group's cash flow and liquidity, hence may adversely affect the Group's financial conditions.

The Group's inability to refinance its debt obligations on favourable terms, or at all, would have a material adverse effect on the Group's business, financial condition and results of operations and on the bondholders' recovery under the Bonds.

In particular, one of the Group's main debt facilities matures before the Bonds, 22 April 2020, and the Bonds matures in May 2021.

**Compliance with financing agreements**

The loan agreements the Group has entered into makes the Group subject to a number of covenants dictating what actions the Group may and may not take. Should the Group breach these covenants, such breach may trigger increased amortisation and an up-streaming restriction. Further, additional financing costs may be incurred and the loans may be accelerated, which could result in bankruptcy and liquidation of the Group. Such events would have a material adverse effect on the bondholders' recovery under the Bonds.

In addition, the loan agreements the Group has entered into contain an ownership clause (i.e. change of control) and a delisting clause. Such ownership clause restricts any legal person's right to acquire or control more than a certain agreed share of the capital and/or voting rights of the Issuer. Should any person acquire or obtain ownership or control exceeding the agreed share or should the shares of the Issuer be delisted, the full amount outstanding under the loan agreement may be declared due and payable at short notice. There is a risk that a refinancing in connection with such event would lead to increased costs and therefore affect the Group's financial conditions the bondholders' recovery under the Bonds.

The Group is required to comply with the Terms and Conditions including, inter alia, to pay interest under the Bonds. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Group's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Bonds, resulting in that the Issuer have to repay the bondholders at the applicable call premium. It is



possible that the Issuer will not have sufficient funds at the time of the repayment to make the required redemption of Bonds.

### **Management risk**

The Group is dependent upon the CEO and the Business Manager for the implementation of its strategy and the operation of its activities. The Corporate Administration Agreement is entered into for a period of three (3) years, commencing from the 7 March 2018. The Issuer has, however, a right to terminate the Corporate Administration Agreement at any time, with six (6) months' written notice. There is an uncertainty with regard to the management of the Group in the event of a termination of the Corporate Administration Agreement. In addition, the Group will depend on the services and products of certain other consultants, contractors and other service providers in order to successfully pursue the Group's business plan. There is a risk that the Group cannot purchase new management services or other necessary services or products on favourable terms, or at all, which would have an adverse effect on the Group's business, financial condition and the bondholders' recovery under the Bonds.

The Issuer is also dependent upon the Asset Manager Finland and the Property Manager Finland for the implementation of their strategies and the operation of their activities. There is a risk that the Asset Manager Finland and the Property Manager Finland fails to implement the strategy demanded by the Issuer and its shareholders, which would adversely affect the Group's financial condition, operations and earnings.

### **Property risk**

Returns from the Properties will depend largely upon the amount of rental income generated from the Properties, the costs and expenses incurred in the maintenance and management of the Properties, necessary investments in the Properties and upon changes in their market value. Rental income and the market value for properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes of interest rates. Both property values and rental income may also be affected by competition from other property owners, or the perceptions of prospective buyers and/or the attractiveness from tenants, convenience and safety of the Properties.

Guarantee period security and insurance agreements concluded by the Group for the Properties may not cover all the possible damage caused to the Properties in the future. Even if the Group secures adequate insurance coverage there is no guarantee that the Group will be able to maintain its insurance coverage on acceptable terms. If the Group is unable to maintain its insurance cover on terms acceptable to it, or if future business requirements exceed or fall outside the Group's insurance cover, or if the Group's provisions for uninsured costs are insufficient to cover the final costs, it may adversely impact the Group's operations, financial position, earnings and results.

### **Environmental and technical risk**

According to the polluter pays-principle established under Finnish environmental law, the operator who has caused pollution will be responsible for remediation. However, should it not be possible to locate the polluter, the property owner or possessor can secondarily be held responsible for remediation and associated costs. Accordingly, there is a risk that the members of the Group in their capacity as property owners may be held responsible for costly remediation works. The allocation of costs relating to soil and groundwater contamination can be agreed otherwise between the respective parties, which is the case in respect of most Properties. Therefore, in certain cases, the risk of the members of the Group is more severe than solely under applicable laws.

Some Properties or areas adjacent to the Properties are included in the MATTI soil database, which lists certain contaminated and potentially contaminated land areas in Finland. Further, there is or has been contamination, or there is a known risk of contamination, in respect of some Properties or areas adjacent to the Properties. If authorities require remediation of contaminated areas, there is a risk that certain members of the Group are responsible for the related costs. The contamination may also restrict the use of the Properties. The above claims, and the restriction of the use of the Properties, may have an adverse effect on the Issuer's operations, results and financial position.

### **Administrative procedure relating to contaminated soil**

There has been a pending administrative process regarding soil contamination detected on a Property owned by one of the MRECs. The MREC has made a provision in its account of approximately EUR 600,000 in relation to such contamination. The MREC has initiated an administrative proceeding, whereby the MREC has on 15 November 2016 filed an application to the Centre for Economic Development, Transport and the Environment of Pohjois-Savo (the "**Pohjois-Savon ELY**"), requiring that Pohjois-Savon ELY orders St1 Oy to remediate the detected contamination. The latest development is a decision by the Pohjois-Savon ELY issued on 30 June 2017 stating that the contamination must be remediated, but that St1 Oy cannot be obligated to carry out the remediation. Further, the Pohjois-Savon ELY will continue handling the matter after the decision has gained legal force. The MREC has appealed against the decision on 21 July 2017 to the Vaasa Administrative Court, and the appeal is currently pending. However, there is a risk that the Pohjois-Savo ELY will oblige the MREC to carry out the remediation works. Further, it's contractually uncertain, who is responsible for the costs of remediation. However, the future (possible) remediation measures may cause complications to the use of the Property held by the MREC, and in the worst case scenario, the MREC could incur higher remediation costs relating to the soil contamination detected on the Property compared to the reserved amount and therefore negatively affect the Group's financial conditions the bondholders' recovery under the Bonds.

### **Indoor air issues**

There have been indoor air issues in respect of certain MRECs owning Properties. The respective MRECs could potentially incur relevant high costs of remedial action relating to indoor air issues, which may not be recoverable from the tenants, as well as suffer a loss resulting from possible rent reductions attributable to the indoor air issues or related renovations. In a worst case scenario, indoor air issues may entitle the relevant tenants to rescind the lease agreement. The abovementioned issue may cause the Group to incur higher remediation costs which would adversely affect the Group's business and operations.

### **Terminal value risk**

Property and property related assets are inherently difficult to appraise due to the individual nature of each property and due to the fact that there is not necessarily a liquid market or clear price mechanism. As a result, valuations may be subject to substantial uncertainties. There is a risk that the estimates resulting from the valuation process will not reflect the actual sales price. Any future property market recession would materially adversely affect the value of the Properties and subsequently the Issuer's financial position, its ability to refinance certain or all of its outstanding debts, including the Bonds, and ultimately, the financial position of the bondholders.

### **Legal and regulatory risks**

Investments in the Bonds involve certain risks, including the risk that a party may successfully litigate against the Group, which may result in a reduction in the assets of the Group. Changes in laws relating to ownership of land could have an adverse effect on the financial conditions of the Group. New laws may be introduced which affect environmental planning, land use and/or development regulations. Government authorities at all levels are actively involved in the promulgation and enforcement of

regulations relating to taxation, land use and zoning and planning restrictions, environmental protection and safety and other matters. The institution and enforcement of such regulations would have the effect of increasing the expense and lowering the income or rate of return from the Issuer, as well as adversely affecting the value of the Properties. Government authorities could use the right of expropriation of the Properties if the requirements for expropriations are satisfied. Any expropriation will entitle the Group to compensation but the Group's financial condition may, irrespective of such compensation, be negatively affected.

Further, the Group registers, processes, stores and uses personal data in the course of its business. It is of high importance that the Group registers, processes and uses personal data in accordance with applicable personal data legislation and requirements. In May 2018, the General Data Protection Regulation ("GDPR"), issued by the European Union, entered into force. The actions needed to ensure compliance with the GDPR may involve certain costs for the Group. Compliance with GDPR is important as data processing in breach of the GDPR could result in fines amounting to a maximum of SEK 20,000,000 or 4 per cent. of the Group's global turnover.

If the Group fails to comply with the GDPR, this may have a negative impact on the Group's business and financial position.

#### **Tax risk**

Changes in laws and regulations regarding tax and other duties may involve new and changed parameters applicable to the Group and taxation of the Group at higher levels than as of the date hereof. Changes in tax rules and regulations may reduce the profitability of leasing out property and the profit after tax for the Group and subsequently the Group's financial condition.

#### **AIFM risk**

The Alternative Investment Fund Managers Directive 2011/61/EU has been implemented in Sweden. Various unresolved/unclear issues regarding how to interpret the directive remain. The Issuer has deemed itself to fall outside of the scope of the AIFM Directive due to its industrial purpose, i.e. because the Issuer shall indirectly generate returns through the Properties operations in the market and not necessarily by divesting the Properties. However, there is a risk that the Issuer may be considered an AIFM, which would among other result in additional costs to a depositary and a manager, which would adversely affect the Group's financial condition, operations and earnings.

#### **Demergers of the members of the Group**

Several members of the Group have been a recipient entity in a demerger. Such members of the Group having been a recipient entity in a demerger may be jointly liable for all obligations of the relevant demerging company that have been created before the implementation of the demerger. Some of the demerging companies are owned by third parties and are no longer a part of the Group. Should this occur, this would have an adverse effect on the financial conditions of the Group.

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

#### **The Issuer is depending on other companies within the Group**

A significant part of the Group's assets and revenues relate to the Issuer's direct and indirect subsidiaries. The Issuer is thus dependent upon receipt of sufficient income and cash flow related to the operations of the subsidiaries. Consequently, the Issuer is dependent on the subsidiaries' availability of cash and their legal ability to pay management fees and make dividends which may from time to time be restricted by corporate restrictions and law. Should the Issuer not receive sufficient

income from its subsidiaries, there is a risk that the bondholders' ability to receive interest payments and the Group's financial condition may be adversely affected.

### **The bondholders are exposed to credit risks**

Investors in the Bonds assume a credit risk relating to the Group. The payments to bondholders under the Terms and Conditions are therefore dependent on the Group's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors, some of which have been mentioned above. An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would have an adverse effect on the value of the Bonds. Another aspect of the credit risk is that a decline in the financial position of the Group may reduce the prospects of the Group to receive debt financing at the time of the maturity of the Bonds.

### **Interest rate risks in relation to the Bonds**

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

### **Benchmark Regulation**

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

### **Liquidity Risk**

In January 2018, MiFID II/MiFIR entered into force. Pursuant to the new rules, the reporting and transparency requirements have increased on the fixed income market. As a consequence, this may cause the financial institutions which are acting as intermediaries in the trade of financial instruments to be less willing to purchase financial instruments on their own books. Should this risk materialise, it could have a negative impact on the liquidity of the Bonds which could have a negative impact on the market value of the Bonds.

### **Liquidity risks and listing of the Bonds**

The Bonds are on the date of this Prospectus listed on Nasdaq First North and the Group intends to apply for listing of the Bonds on Nasdaq Stockholm or another regulated market. However, there is a risk that the Bonds might not be admitted to trading on a regulated market. Further, even if the Bonds are admitted to trading on a regulated market, active trading in the Bonds does not always occur and hence there is a risk that a liquid market for trading in the Bonds will not form or will not be

maintained, even if the Bonds are listed. As a result, the bondholders may be unable to sell their Bonds when they so desire or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market or for a sale at par. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative of the market price of the Bonds as the Bonds may trade below their nominal value (for instance, to allow for the market's perception of a need for an increased risk premium). It should also be noted that during any given period of time it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close-down of the relevant market or trade restrictions imposed on the market.

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

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

### **Structural subordination and insolvency of subsidiaries**

A significant part of the Group's assets and revenues are owned by and generated in the subsidiaries of the Issuer. The subsidiaries are legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. The ability of the subsidiaries to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers). The Group or its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

### **Security over assets granted to third parties**

Subject to certain limitations set out in the Terms and Conditions, the Issuer has, and may incur additional, financial indebtedness and provide additional security for such indebtedness. The Group has granted security under the current debt facilities including security over, *inter alia*, property mortgage certifications, shares, accounts and rental income. As security has been granted in favour of a third party debt provider, and may be granted to additional debt providers, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Issuer, be subordinated in right of payment out of the assets being subject to security provided to such third party debt providers. In addition, if any such third party debt provider holds security provided by the Group were to enforce such security due to a default by any company within the Group under the relevant finance documents, such enforcement would have a material adverse effect on the Group's assets, operations and financial position, and the rights of the bondholders to receive payments under the Bonds.

### **Risks related to early redemption partial repayment of the Bonds**

Under the Terms and Conditions, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. Further, the Issuer may, on one occasion being no earlier than 21 months after the issue date of the initial bonds, make a partial repayment of the Bonds in an amount of maximum EUR 60,000,000, in which case all outstanding Bonds shall be partially repaid by

way of reducing the outstanding nominal amount of each Bond pro rata. If the Bonds are redeemed or partially repaid before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount or a premium on the repaid amount (as applicable) which exceeds the nominal amount in accordance with the Terms and Conditions for the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount or the repayment amount (including the premium) (as applicable) and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

In addition, a partial repayment of the Bonds may affect the liquidity of the Bonds and may have a negative impact on the market value of the Bonds which would result in bondholders difficulties to sell the Bonds (at all or at reasonable terms).

### **Put option**

Pursuant to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) if a Change of Control Event, a Property Event or a De-listing Event (each as defined in the Terms and Conditions) occurs. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which would adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all Bondholders and not only those that choose to exercise the option.

### **No action against the Issuer and bondholders' representation**

Under the Terms and Conditions for the Bonds, the bond trustee represents all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking unilateral actions against the Issuer or any other member of the Group. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer or any other member of the Group and may therefore have no effective legal remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder may take unilateral action against the Issuer or any other Group company (in breach of the Terms and Conditions). This would adversely affect an acceleration of the Bonds or other actions against the Issuer or any other member of the Group. To enable the bond trustee to represent bondholders in court, the bondholders and/or their nominees may have to submit separate written powers of attorney for legal proceedings. If the bondholders fail to submit such a power of attorney this would negatively affect the legal proceedings. Under the Terms and Conditions, the bond trustee will in some cases have the right to make decisions and take measures that are binding upon all bondholders. Consequently, the actions of the bond trustee in such matters would impact a bondholder's rights under the Terms and Conditions in a manner that could be undesirable for some bondholders.

### **Bondholders' meetings**

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

### **Risks relating to certain restrictions on the transferability of the Bonds**

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is each bondholder's and each succeeding investor's obligation to ensure that their respective offers and sales of the Bonds on the secondary market comply with all applicable securities laws. Should any investor violate the transfer restrictions that apply to the bonds there is a risk that such investor will violate applicable securities laws, which would have adverse consequences.

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

The Bonds are affiliated to Euroclear's account-based system, and no physical notes have been issued. Clearing and settlement relating to the Bonds are carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear's account-based system for clearing, settlement, payment and other matters or functionalities in respect of the Bonds addressed by Euroclear's account-based system.

**Conflict of interests**

The Sole Bookrunner may in the future engage in investment banking and/or commercial banking or other services for the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests

## THE BONDS IN BRIEF

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

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

|                                     |   |
|-------------------------------------|---|
| <b>Issuer</b> .....                 | Cibus Nordic Real Estate AB (publ).   |
| <b>Bonds Offered</b> .....          | EUR 135,000,000 in aggregate principal amount of senior unsecured floating rate bonds due 2021.   |
| <b>Number of Bonds</b> .....        | 1350.   |
| <b>ISIN</b> .....                   | SE0010740530.   |
| <b>Issue Date</b> .....             | 5 March 2018.   |
| <b>Issue Price</b> .....            | 100.00%.  |
| <b>Interest Rates</b> .....         | Interest on the Bonds will be paid at a floating rate of three-month EURIBOR plus 4.50% <i>per annum</i> .  |
| <b>Use of Benchmark</b> .....       | Interest payable on the Bonds will be calculated by reference to EURIBOR. As at the date of this Prospectus, the administrator of EURIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011. |
| <b>Interest Payment Dates</b> ..... | 26 February, 26 May, 26 August and 26 November of each year commencing on 26 May 2018. Interest will accrue from (but excluding) the Issue Date.  |
| <b>Initial Nominal Amount</b> ..... | The Bonds will have a nominal amount of EUR 100,000 and the minimum permissible investment in the Bonds is EUR 100,000.   |
| <b>Status of the Bonds</b> .....    | The Bonds are denominated in EUR and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.   |

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, and:



- shall at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except those obligations which are mandatorily preferred by law;
- are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets, to the extent of the value of the property and assets securing such indebtedness; and
- are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer, including obligations to trade creditors.

**Call Option.....** The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount (as defined below) in accordance with Clause 9.3 (*Voluntary Total Redemption*) of the Terms and Conditions.

**Call Option Amount .....** Call Option Amount means:

- (a) any time from and including the Issue Date to, but excluding, the first Business Day falling 27 months after the Issue Date an amount per Bond equal to 108.00% of the Nominal Amount together with accrued but unpaid Interest;
- (b) any time from and including the first Business Day falling 27 months after Issue Date to, but excluding, the first Business Day falling 33 months after the Issue Date an amount per Bond equal to 101.50% of the Nominal Amount, together with accrued but unpaid Interest;
- (c) any time from and including the first Business Day falling 33 months after Issue Date to, but excluding, the first Business Day falling 36 months after the Issue Date an amount per Bond equal to 101.00% of the Nominal Amount, together with accrued but unpaid Interest; and
- (d) any time from and including the first Business Day falling 36 months after Issue

Date to the Final Maturity Date (as defined below) at an amount per Bond equal to 100.00% of the Nominal Amount, together with accrued but unpaid Interest.

|                                      |                |   |
|--------------------------------------|----------------|---|
| <b>Voluntary Redemption</b> .....    | <b>Partial</b> | The Issuer may on one occasion, being no earlier than the date occurring 21 months after the Issue Date, make a partial repayment of Bonds in an amount of maximum EUR 60,000,000, in accordance with Clause 9.4 ( <i>Voluntary Partial Redemption</i> ) of the Terms and Conditions, together with accrued but unpaid interest and a premium of 2 per cent. of the repaid amount.  |
| <b>Final Maturity Date</b> .....     |                | 26 May 2021.  |
| <b>Put Option</b> .....              |                | Upon a Change of Control Event, Property Event or a De-listing Event (each as defined below) occurring, each bondholder shall have the right to request that its Bonds are redeemed at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (60) Business Days following a notice from the Issuer of the Change of Control Event, the Property Event or the De-listing Event. |
| <b>Change of Control Event</b> ..... |                | The occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer and where " <b>control</b> " means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.                            |
| <b>Property Event</b> .....          |                | The occurrence of an event or series of events whereby more than 25 per cent. of the aggregated Value of the Properties (each as defined in the Terms and Conditions) are located in a jurisdiction other than Finland.   |
| <b>De-listing Event</b> .....        |                | The occurrence of an event whereby (i) the Issuer's shares are delisted from First North Stockholm or any other MTF or Regulated Market, or (ii) trading of the Issuer's shares on the aforementioned MTF or Regulated Market is suspended for a period of 15 consecutive Business Days.  |
| <b>Certain Covenants</b> .....       |                | The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, <i>inter alia</i> : <ul style="list-style-type: none"> <li>• restrictions on making any changes to the nature of their business;</li> </ul>   |

- a negative pledge, restricting the granting of security on Financial Indebtedness (as defined in the Terms and Conditions);
- restrictions on the incurrence of Financial Indebtedness; and
- limitations on the making of distributions and disposal of assets.

Each of these covenants are subject to significant exceptions and qualifications, including, but not limited to, (a) the possibility to grant security under the Existing Debt, (b) the possibility of the Issuer to incur additional Financial Indebtedness if such Financial Indebtedness (i) meets the Incurrence Test on a *pro forma* basis, (ii) has a final maturity date or a final redemption date, and (iii) when applicable, has early redemption dates or instalment dates, in each case (ii) and (iii) which occur after the Final Maturity Date and (c) the possibility for a Group Company (other than the Issuer) to incur additional Financial Indebtedness if such Financial Indebtedness meets the Incurrence Test on a *pro forma* basis. See the Terms and Conditions for further information and exceptions.

**Financial Covenants .....** The Terms and Conditions contain incurrence covenants which govern the ability of the Issuer and the other Group Companies to incur additional debt.

The Terms and Conditions contain a maintenance test pursuant to which the following financial covenants shall be met on certain test dates:

- the LTV Ratio shall on each Reference Date not be higher than 70.00%; and
- the Interest Coverage Ratio for the Relevant Period shall on each Reference Date not be less than 1.75:1.

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

**Use of Proceeds .....** The Issuer shall use the Net Proceeds, less the costs and expenses incurred by the Issuer in connection with the issue of the Bonds, for (i) financing the acquisitions of the Targets, and (ii) financing general corporate purposes of the Group including refinancing of any Existing Debt.

|                                    |   |
|------------------------------------|---|
| <b>Transfer Restrictions .....</b> | The Bonds are freely transferable but the bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a bondholder may be subject. Each bondholder must ensure compliance with such restrictions at its own cost and expense.  |
| <b>Listing.....</b>                | The Bonds are currently listed on Nasdaq First North Bond Market.<br><br>Application has been made to list the Bonds on the corporate bond list of Nasdaq Stockholm.  |
| <b>Waiver.....</b>                 | On May 25 April 2018 the Issuer requested the Agent's consent to make the first quarterly interim unaudited consolidated report of the Group available to the bondholders within two months following the period ending on 30 June 2018 instead of the period ending on 31 March 2018 (as stated in the Terms and Conditions). The waiver was made to rectify an obvious mistake regarding the timing of the publication of the first unaudited consolidated interim report. The Agent agreed to the waiver in accordance with Clause 18(a)(i) of the Terms and Conditions and the waiver became effective as of 26 April 2018. |
| <b>Agent.....</b>                  | Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with the Terms and Conditions.  |
| <b>Issuing Agent .....</b>         | Pareto Securities AB, or another party replacing it, as Issuing Agent, in accordance with the Terms and Conditions.   |
| <b>Governing Law of the Bonds</b>  | Swedish law.  |
| <b>Risk Factors.....</b>           | Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.  |

## STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Company on 24 January 2018, and was subsequently issued by the Company on 5 March 2018. This Prospectus has been prepared in connection with the Company's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council and Chapter 2 of the Trading Act.

The board of directors of the Company is responsible for the information given in this Prospectus. The Company and its board of directors is the source of all company specific data contained in this Prospectus and the Sole Bookrunner has conducted no efforts to confirm or verify the information supplied by the Company or its board of directors. The board of directors of the Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the facts and contains no omissions likely to affect its import. Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Company and its board of directors is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

5 April 2019

Cibus Nordic Real Estate AB (publ)

*The board of directors*

## DESCRIPTION OF MATERIAL AGREEMENTS

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

### Senior Secured Bank Financing

Certain Group Companies have on 22 April 2015, 2 November 2018 and 15 February 2019 incurred financial indebtedness under the Senior Secured Bank Financing which on 21 March 2019 amounted to an aggregated amount of approximately EUR 355,000,000. The Senior Secured Bank Financing consists of three separate loan agreements with a floating rate interest and with maturity dates occurring on 22 April 2020, 15 February 2023 and 2 November 2023. Under the Senior Secured Bank Financing certain Properties within the Group have been subject to mortgages and the mortgage certificates are pledged to the banks and credit institutions that have provided the Senior Secured Bank Financing. Such financing also includes pledges over other assets such as, *inter alia*, shares, accounts and rental income.

One of the loan agreements under the Senior Secured Bank Financing further includes a committed credit facility that enables the Group to draw funds of approximately EUR 31,000,000 to be used for new acquisitions by the Group.

### The Asset Management Agreement and the Property Management Agreement

The Company and certain Group Companies have entered into the Asset Management Agreement with the Asset Manager Finland, and the Company's indirect subsidiaries Cibus Grocery Finland Oy and Cibus Retail Finland Oy have entered into the Property Management Agreement with the Property Manager Finland in connection with the establishment of the Group in March 2018.

#### The Asset Management Agreement

The Asset Management Agreement is entered into for a period of 3 years. The Company has, however, a right to terminate the Asset Management Agreement at any time with 3 months written notice.

The Asset Manager Finland will be responsible for the development and asset management of the Company's properties in Finland. The Asset Manager Finland will also have direct dialogue and follow up on the property and financial management of the Portfolio, which will be conducted by the Property Manager Finland. The Asset Manager Finland is entitled to remuneration for the performance of the services under the Asset Management Agreement. The remuneration is 3.75% per annum of NOI, invoiced quarterly. The amount of the remuneration to be invoiced will be based on the projected NOI for the year as set out in the budget for the Group and approved by the CEO and Board of the Company.

The Asset Manager Finland is responsible for negotiating the fees with other service providers in Finland on behalf of the Group. Tasks and remuneration to be perceived as extraordinary shall be confirmed by the CEO and if necessary also the board of directors of the Company. If and to the extent the estimated ordinary total costs (that are not recoverable from the Tenants) relating to the regular management and administration of the Portfolio in Finland which is to be borne by the Group for any year is exceeded, the fee to the Asset Manager Finland shall be decreased by the same amount.

The Asset Manager Finland does also have engagements with parties outside the Group. However, Mr. Gylling, Mr. Ahlblad and Mr. Sävälkoski (being the CEO, CIO and CFO of the Asset Manager Finland,

jointly the "Key Persons") have agreed to devote at least 50% of their ordinary working time to the Asset Manager Finland's tasks under the Asset Management Agreement. Further, the Asset Manager Finland has agreed not to engage in other assignments including grocery properties in Finland.

The Asset Manager Finland undertakes to ensure that each of the Key Persons remain actively involved with the Portfolio at least until the third anniversary of the Asset Management Agreement. If the Asset Manager Finland wishes to substitute any of the Key Persons, any new person(-s) shall be proposed to the Company in writing as soon as possible, and approval of such substitution shall be at the Company's sole discretion.

### **The Property Management Agreement**

The Property Management Agreement is entered into until further notice with a mutual notice period of 6 months. However, the first possible day of notice is on 30 September 2020 which means the Property Management Agreement can be terminated on 31 March 2021 at the earliest. Leasing services can be terminated separately with a mutual notice period of 3 months.

The Property Manager Finland will provide financial services, leasing services and services relating to technical property management, lease administration and company administration. The Property Manager Finland will also provide services in connection with construction projects. Services relating to tenant improvement projects, energy management and environment and sustainability reporting are excluded but can be ordered separately and are subject to a separate hourly price list.

The Property Manager Finland is entitled to remuneration for the performance of the services under the Property Management Agreement. The fixed monthly service fees (for holding companies and mutual real estate companies) for services relating to asset management, leasing and lease administration, property management and financial management payable by the Group amount to approximately EUR 54,000 (excl. VAT) per month. The prices are subject to annual indexation in accordance with the Finnish consumer price index. Expansion of the Portfolio and/or changes in company structure will entail adjustment of the fixed monthly service fees since the fees are charged per entity.

The Property Manager Finland is entitled to separate fees for obtaining new tenants, negotiating new lease agreements and for renewal of lease agreements which requires extraordinary efforts from the Property Manager Finland. The Property Manager Finland manages all third party agent relations concerning the Portfolio and is responsible for possible agent fees. Any separately charged services are subject to separate hourly rates and fees.

The maximum total liability per single occurrence for the Property Manager Finland under the Property Management Agreement is EUR 250,000. The third-party liability insurance of the Property Manager Finland is required to cover damage caused by its operations or negligence up to a maximum amount of EUR 2,000,000. The limitations of liability are not applicable to any damages caused by the Property Manager Finland's gross negligence.

### **The Corporate Administration Agreement**

The Company has entered into a corporate administration agreement with the Business Manager for corporate administration services.

The Corporate Administration Agreement is entered into for a period of 3 years. The Company has, however, a right to terminate the Corporate Administration Agreement at any time with 6 months

written notice. In the event of a material breach of the agreement, and such breach is not cured in reasonable time, the agreement may be terminated with immediate effect.

The Business Manager receives an annual fee of EUR 515,000, excl. VAT in consideration for its services rendered as business manager. In addition, the Business Manager has received a start-up fee of EUR 52,000 excl. VAT (non-recurring item). The fee is adjusted annually by 100% of the change in Swedish CPI, and the first adjustment took place in January 2019. The first adjustment was based on the index value as of October 2018, with reference to the index value as of October 2017. If the change in CPI is negative, no adjustment is to be done.

Any duties not specified in the agreement, or carried out after the expiry of the Corporate Administration Agreement, shall be compensated at the standard hourly rates of the Business Manager, which are currently between EUR 150 and 250, excl. VAT. Furthermore, the Business Manager shall receive consideration based on the said hourly rates for the administration of tender processes for the joint procurement of goods and services from the Business Manager's contractors. If other reporting obligations are imposed on the Business Manager by government authorities, or if there are material changes in the lease structure, the Business Manager shall be entitled to adjust fees in accordance therewith.



## DESCRIPTION OF THE GROUP

### History and development

Cibus Nordic Real Estate AB (publ) was incorporated on 23 November 2017 and is a Swedish public limited liability company operating under the laws of Sweden with reg. no. 559135-0599.

The registered office of the Company is c/o Pareto Business Management AB, Box 7415, 103 91 Stockholm and the Company's headquarters is located at Berzelii Park 9, 103 91 Stockholm, with telephone number +46 8 402 50 00.

In accordance with the articles of association of the Company, adopted on 18 October 2018, the objects of the Company are to directly or indirectly own and manage intangible property whose main orientation is trade.

### Business and operations

The Company, which was established by Pareto Business Management AB in 2017, is focused on acquiring, developing and managing high quality properties anchored by reputable grocery and discount store chains in the Nordics. The Portfolio shall be optimized in an operational and a cash flow perspective, through an active property management, market intelligence and close tenant relationships. The Portfolio is currently located in growing regions across Finland, and more than half of the Portfolio is located in the southern part of Finland. More than 90% of the total rental income of the Properties is anchored by three tenants, being Kesko, Tokmanni and S-Group.

The value of the Portfolio is, as of the date of this Prospectus, approximately EUR 819,000,000 and comprises approximately 473,000 square metres of lettable area.

### Strategy and vision

The Company's core business strategy is to maintain and preserve the Portfolio's strong and robust cash flow through active asset management with high cost control. The Company will also strive to maintain tenants with strong creditworthiness and leading market positions. The Company aims to expand its business into additional Nordic countries and the Swedish market is currently viewed as a priority. To preserve the Company's balanced, but niched portfolio strategy, the Company has decided on a clear investment strategy. The Company aims to deliver a high and non-cyclic dividend level to its shareholders, achieved through a stable profitability in the underlying Portfolio. The Company's vision is to strengthen its' position as one of the market leading property companies with focus on grocery and daily-goods store anchored properties.

### Share capital and ownership structure

The shares of the Company are denominated in EUR. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Company had an issued share capital of EUR 311,000 divided into 31,100,000 of shares.

The following table sets forth an overview of the ownership structure in the Company, based on the share register of the Company as of 28 February 2019, with the amendments known by the Company. As the Company is a VPC Company (Sw. *avstämningsbolag*) certain shareholders may have their shares registered on a custody account (Sw. *depå*) with a registered nominee (Sw. *förvaltare*). Thus, there may be shareholders who holds shares in the Company that are not directly reflected in the share register of the Company.

| <i>Shareholder</i>                  | <i>No. of shares</i> | <i>Share capital</i> | <i>Voting Rights</i> |
|-------------------------------------|----------------------|----------------------|----------------------|
| SFC Holding S.à r.l.                | 12,844,443           | 41.30%               | 41.30%               |
| Amiral Gestion                      | 1,610,804            | 5.18%                | 5.18%                |
| Fjärde AP-fonden                    | 1,414,037            | 4.55%                | 4.55%                |
| Carnegie Strategifond               | 1,288,993            | 4.14%                | 4.14%                |
| Nuveen Asset Management             | 800,000              | 2.57%                | 2.57%                |
| PGIM Investments                    | 550,865              | 1.77%                | 1.77%                |
| Marjan Dragicevic                   | 520,000              | 1.67%                | 1.67%                |
| Oy Sirius Capital Partners          | 500,000              | 1.61%                | 1.61%                |
| Göran Gustafssons Stiftelser        | 460,000              | 1.48%                | 1.48%                |
| Nordnet Pensionsförsäkring          | 455,364              | 1.46%                | 1.46%                |
| Håkan Roos                          | 350,000              | 1.13%                | 1.13%                |
| Ica-Handlarnas Förbund              | 342,949              | 1.10%                | 1.10%                |
| Avanza Pension                      | 320,069              | 1.03%                | 1.03%                |
| Gadd & Cie S.A.                     | 300,000              | 0.96%                | 0.96%                |
| Familjen Kamprads stiftelse         | 250,000              | 0.80%                | 0.80%                |
| Johan Olofsson                      | 201,340              | 0.65%                | 0.65%                |
| Aktiebolaget Malfors Promotor       | 200,000              | 0.64%                | 0.64%                |
| Erik Lindholm                       | 179,500              | 0.58%                | 0.58%                |
| Björn & Margareta Jakobson          | 154,000              | 0.50%                | 0.50%                |
| LähiTapiola Varainhoito Oy          | 150,000              | 0.48%                | 0.48%                |
| <b>Total 20 largest shareholder</b> | <b>22,892,364</b>    | <b>73.61%</b>        | <b>73.61 %</b>       |
| Other shareholders                  | 8,207,636            | 26.39%               | 26.39%               |
| <b>Total</b>                        | <b>31,100,000</b>    | <b>100.00 %</b>      | <b>100.00 %</b>      |

Holdings of shares by the board of directors and management – 0.0014%.

The following members of the Company's board of directors and management owns shares in the Company:

- Elisabeth Norman, 1,500 shares
- Johanna Skogestig, 2,100 shares
- Sverker Källgården, 860 shares

Above constitutes information regarding direct shareholding by members of the board of directors of the Company. For further information regarding indirect holding of shares by members of the board of directors of the Company, please refer to section "*Management*", subsection "*Conflicts of interest within administrative, management and control bodies*".

### **Shareholders' agreements**

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

## Overview of Group structure

The Company is the ultimate parent of the Group. Cibus Sweden Real Estate AB, corporate identification number 559121-3284 is the direct subsidiary of the Company and owner of the shares in Cibus Grocery Holding S.á r.l. and Cibus Retail Holding S.á r.l.

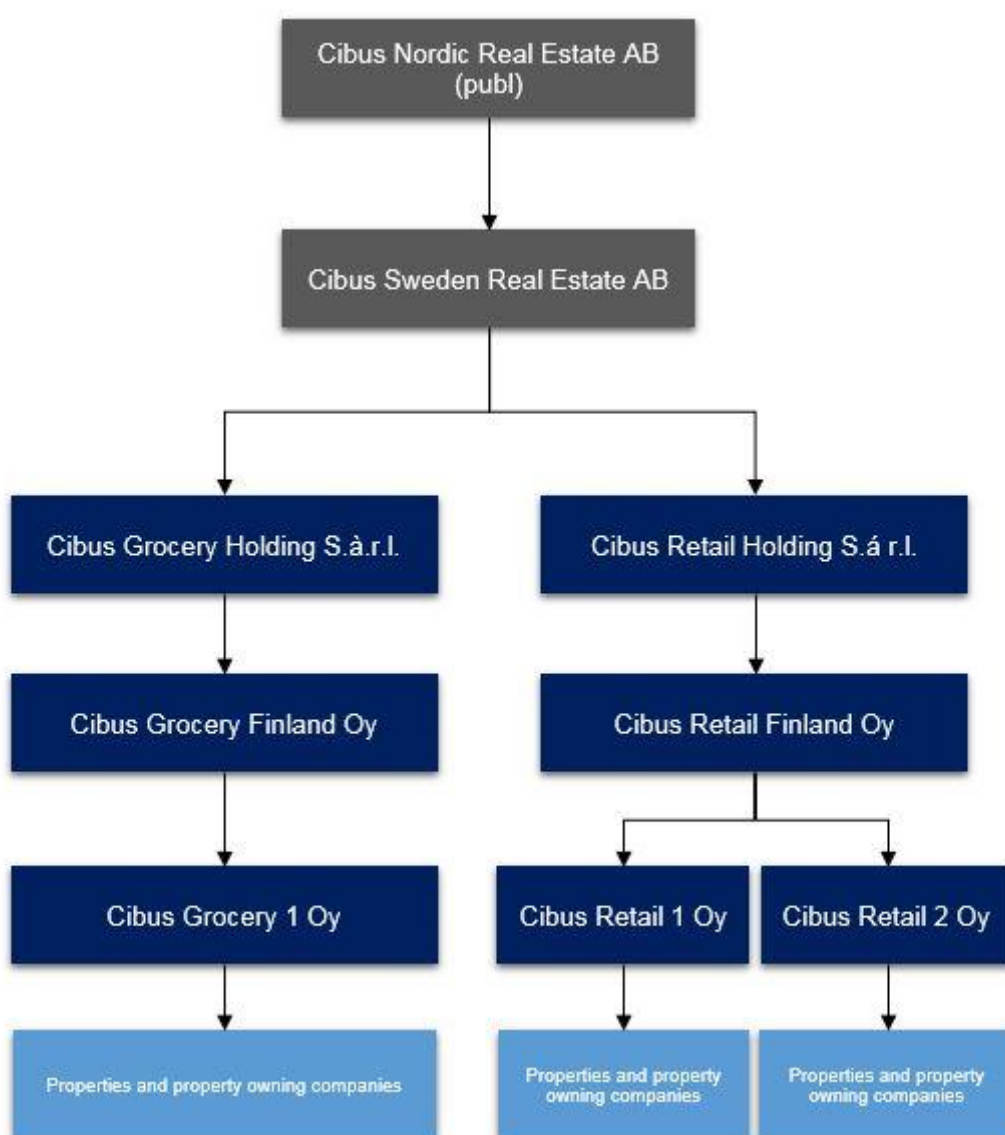
Operations are conducted by the subsidiaries and the Company is thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds.

As of the date of this Prospectus, the Group consist of a total of 120 companies registered under Swedish, Finnish and Luxembourg law including, *inter alia*, 2 companies in Sweden, 2 companies in Luxembourg and 116 companies in Finland, including 19 partly owned MRECs. A simplified group structure is presented graphically below.

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### Group Structure

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Source: the Company

### **Finnish real estate companies**

There are two kinds of real estate companies in Finland, ordinary real estate companies ("RECs") and mutual real estate companies ("MRECs").

A REC is a limited liability company the purpose of which is to own and manage a property. The assets of a REC consist mainly of (i) a freehold or a leasehold property and (ii) one or more buildings located thereon. The property and the buildings may be leased out by the REC itself, and the respective rental income shall be paid to the REC in its capacity as the landlord under the lease agreement(s). The REC is in principle liable for all maintenance of the property and the buildings as well as for renovation work unless otherwise agreed e.g. with the tenant(s).

An MREC is a limited liability company and, similarly to a REC, its assets principally comprise of a freehold or a leasehold property and any buildings located thereon. The main distinction from a REC lies within the control structures of the MREC's assets (i.e. the property and the building). Despite the fact that an MREC owns the land areas and the buildings, the MREC's shareholders have direct control over them as defined in the MREC's articles of association. Common areas (e.g. hallways and reception areas) belonging to the real property are often left to the control of the MREC. The shareholders of an MREC are entitled to lease out the premises within their possession and, consequently, the respective rental income is generated to a vast extent on the shareholder level. The actual role of the MREC is generally limited to the maintenance and operation of the property, financed by maintenance charges collected from the shareholders. The maintenance charge is normally determined by the annual shareholders' meeting as a fixed amount per square meter for all premises. As a general rule, the maintenance charges are determined in order to leave the MREC with neither a profit nor a loss for tax purposes.

### **Recent events**

Other than events described in this Prospectus, there has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Company's solvency.

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

Other than events described in this Prospectus, there has been no material adverse change in the prospects of the Group since the date of publication of its last accounts and no significant change in the financial or trading position of the Group since the end of the last financial period for which financial information has been published.

### **Legal and arbitration proceedings**

The Group is currently involved in an administrative court proceeding concerning the remediation of detected soil contamination at a Property. The process is currently pending with the Vaasa Administrative Court. Other than the aforementioned proceeding, neither the Company nor the Group is, or has over the past twelve months been, a party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. Nor is the Company aware of any such proceedings which are pending or threatening and which could lead to the Company or any other member of the Group becoming a party to such proceedings.

### **Credit rating**

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

## MANAGEMENT

The board of directors of the Company currently consists of four members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Company at c/o Pareto Business Management, Box 7415, 103 91 Stockholm. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

**Patrick Gylling, chairman of the board since 2018.**

**Education:** Master of Science in Economics & Business from Hanken School of Economics in Helsinki.

**Current commitments:** CEO of Sirius Capital Partners. Member of the board of directors of Cibus Sweden Real Estate AB and Life Annuity Institution Hereditas Ltd.

**Elisabeth Norman, member of the board since 2018.**

**Education:** Bachelor of Arts from Uppsala University.

**Current commitments:** Member of the board of directors of Bygga Bo i Pajala AB, Aktiebolaget Enköpings Hyresbostäder, Cibus Sweden Real Estate AB and the listed real estate companies Amasten Fastighets AB (publ), Nivika Fastigheter AB (publ) and ByggPartner i Dalarna Holding AB (publ).

**Jonas Ahlblad, member of the board since 2018.**

**Education:** Master of Science in Economics & Business from Hanken School of Economics in Helsinki.

**Current commitments:** CIO of Sirius Capital Partners. Member of the board of directors of Cibus Sweden Real Estate AB.

**Johanna Skogestig, member of the board since 2018.**

**Education:** Master of Civil Engineering from Royal Institute of Technology in Stockholm.

**Current commitments:** CIO of Vasakronan. Member of the board of directors of Fastighets AB Regio, Cibus Sweden Real Estate AB and Stadsutvecklarna i Värtahamnen AB.

## Management

### *Sverker Källgården, CEO*

**Education:** Master of Civil Engineering from Royal Institute of Technology in Stockholm.

Mr. Källgården has more than 20 years of experience from the real estate and construction industry. Most recently as CEO of ByggPartner. Under his leadership, ByggPartner was successfully listed on Nasdaq First North. Prior to ByggPartner, Mr. Källgården held executive positions at NCC and Hufvudstaden, including serving as CEO of AB Nordiska Kompaniet (NK) for seven years.

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

Ms. Skogestig and Ms. Norman are independent in relation to the Company and its shareholders.

Mr. Gylling and Mr. Ahlblad is perceived to be dependent in relation to the Company and its shareholders. Mr. Gylling is the CEO and Mr. Ahlblad is the CIO of Oy Sirius Capital Partners Ab ("**Sirius Capital Partners**") which, on the date of this Prospectus, owns 500,000 shares in the Company and is the direct parent company of Asset Manager Finland. Mr. Gylling and Mr. Ahlblad owns 52% and 30% of the shares in Sirius Capital Partners, respectively. The Asset Manager Finland is entitled to remuneration under the Asset Management Agreement.

Furthermore, prior to the establishment of the Group, an affiliate of Sirius Capital Partners was the investment advisor to Sirius Fund I Grocery SCSp and Sirius Fund II SCSp. Sirius Fund I SCSp and Sirius Fund II SCSp are the shareholders of SFC Holding S.à r.l ("**SFC Holding**"). In connection with the establishment of the Group, SFC Holding invested approximately EUR 128,400,000 in the Company, resulting in an ownership of approximately 41.3% of the shares in Company.

Subsequently, Mr. Gylling and Mr. Ahlblad should be perceived as dependent in relation to the Company and its shareholders.

While the Company recognises the potential conflicts described above, the Company does not believe that such potential conflicts constitute an actual conflict of interest between such individuals' duties to the Company and their private interests or other commitments.

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

The Sole Bookrunner and/or its affiliates have engaged in, and may in future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner 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.

## HISTORICAL FINANCIAL INFORMATION

### Historical financial information

On the date of its incorporation, the Company's financial year was 1 July to 30 June. On 18 October 2018, the shareholders of the Company resolved on a shareholders meeting to change the Company's, and subsequently the Group's (on a consolidated basis), financial year to 1 January to 31 December. As a consequence, the Company's financial year 2018 was shortened and ended 31 December 2018.

The Group's consolidated financial statements for the financial year ended 30 June 2018 and the figures for the shortened financial year 1 July 2018 - 31 December 2018 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*").

The information incorporated by reference is to be read as part of this Prospectus.

The Group's consolidated financial statements for the shortened financial year ended 31 December 2018 and financial year ended 30 June 2018 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU.

Other than the auditing of the Group's consolidated financial statements for the shortened financial year ended 31 December 2018 and for the financial year ended 30 June 2018, the Group's auditor has not audited or reviewed any part of this Prospectus.

The Group's consolidated financial statements for the shortened financial year ended 31 December 2018 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 43;
- consolidated balance sheet, page 44;
- consolidated cash flow statement, page 46;
- consolidated statement of changes in equity, page 45; and
- the audit report, page 72.

The specific information set out below (as also stated in section "*Other information*" subheading "*Documents incorporated by reference*" in this Prospectus) from the Group's consolidated financial statements for the financial year ended 30 June 2018 is incorporated into this Prospectus by reference. The other information set out in the consolidated financial statements for the financial year ended 30 June 2018 is deemed to not be relevant for the purpose of the Prospectus Regulation as corresponding up to date information is included in the consolidated financial statements for the shortened financial year ended 31 December 2018.

- consolidated income statement, page 26;
- consolidated balance sheet, page 27;
- consolidated cash flow statement, page 29;
- consolidated statement of changes in equity, page 28;
- the audit report, page 46; and
- notes, page 33.

### Auditing of the annual historical financial information

The Company's consolidated financial statements as at present and for the years 2017 to 2018 have been audited, as applicable, by Deloitte AB, 113 79 Stockholm, Sweden. Deloitte AB has been the

Company's auditor since 2017, and was re-elected for a period until the end of the next annual general meeting on the latest annual general meeting. Malin Luning is the auditor who is responsible for the Company. Malin Luning is an authorised auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden. Jan Palmqvist was the responsible auditor for the Company during the financial year ending on 30 June 2018. Jan Palmqvist was replaced as responsible auditor by Malin Luning in December 2018 due to his retirement.

The majority shareholders of the Company, SFC Holding S.À R.L. and Sirius Capital Partners, have proposed to the annual general shareholders meeting scheduled to occur 11 April 2019 that the shareholders should elect KPMG AB as new auditor for the Company with auditor Mattias Johansson as new responsible auditor. The background to the proposed change of auditor is that KMPG Oy Ab is currently the auditor for all Finnish Group Companies.

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

### **Age of the most recent financial information**

The most recent financial information has been taken from the consolidated financial statements for the shortened financial year ended 31 December 2018, which was published on 7 March 2019 on the Company's website [cibusnordic.com](http://cibusnordic.com).



## OTHER INFORMATION

### Assurance regarding the Prospectus

Cibus Nordic Real Estate AB (publ) is responsible for the content of the Prospectus and has taken all reasonable precautions to ensure that, as far as the Company is aware, the information in the Prospectus accords with the facts and contains no omission likely to affect its import. To the extent prescribed by law, the board of directors of the Company is also responsible for the content of the Prospectus. The board of directors has taken all reasonable care to ensure that the information in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of EUR 135,000,000. Each Bond has a nominal amount of EUR 100,000. The ISIN for the Bonds is SE0010740530.

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

### Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders.

### Material contracts

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

### Documents incorporated by reference

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

- the Group's consolidated financial statements and audit report for the shortened financial year ended 31 December 2018 ([link to the document on the Company's website](#)); and
- pages 26 – 46 from the Group's consolidated financial statements for the financial year which ended 30 June 2018 including the audit report ([link to the document on the Company's website](#)).

### Documents available for inspection

The following documents are available at the Company's headquarters at Berzelii Park 9, Stockholm, on weekdays during the Company's regular office hours throughout the period of validity of this Prospectus.

- the Company's articles of association;

- the Company's certificate of registration;
- the Group's consolidated financial statements and audit reports for the shortened financial year ended 31 December 2018 and for the financial year ended 30 June 2018;
- the financial statements and audit reports for the shortened financial years 2017 and 2018 for each company within the Group (to the extent such companies were incorporated during the financial years 2017 and 2018 and have issued financial statements and audit reports for such financial years); and
- this Prospectus.

The following documents are also available in electronic form on the Company's website [cibusnordic.com](http://cibusnordic.com):

- the Group's consolidated financial statements and audit report for the shortened financial year ended 31 December 2018 and for the financial year ended 30 June 2018;
- the Terms and Conditions; and
- this Prospectus.

#### **Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 575,000.

## TERMS AND CONDITIONS OF THE BONDS

### 1. Definitions and Construction

#### 1.1 Definitions

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

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

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

"**Advance Purchase Agreements**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts, or (b) any other trade credit incurred in the ordinary course of business.

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

"**Agency Agreement**" means the agency agreement entered into on or prior to the Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent.

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

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

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

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

"**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.

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

**"Change of Control Event"** means the occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer and where **"control"** means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove 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 satisfactory to the Agent, signed by the Issuer certifying 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. If the Compliance Certificate is provided in connection with the publishing of a Financial Report, the Compliance Certificate shall include calculations and figures in respect of the Maintenance Test and if the Compliance Certificate is provided in connection with a Restricted Payment include calculations and figures in respect of the Incurrence Test.

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

**"De-listing Event"** means the occurrence of an event whereby:

- (a) the Issuer's shares are delisted from First North Stockholm or any other MTF or Regulated Market; or
- (b) trading of the Issuer's shares on the aforementioned MTF or Regulated Market is suspended for a period of 15 consecutive Business Days.

**"EBITDA"** means the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items which are not in line with the ordinary course of business;
- (d) before taking into account any non-recurring items;

- (e) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (f) not including any accrued interest owing to any member of the Group;
- (g) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (h) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (i) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (j) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (k) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

"**Equity**" means, by reference to the consolidated balance sheet of the Group the sum of (i) restricted equity, (ii) non-restricted equity (including any minority interests for the Group); and (iii) any Subordinated Loans.

"**Equity Issue**" means the issuance of up to 31,100,000 new shares by the Issuer.

"**Equity Ratio**" means the ratio of Equity to Total Assets.

"**Euro**" and "**EUR**" means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

"**EURIBOR**" means:

- (a) the applicable percentage rate *per annum* displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or
- (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Issuing Agent at its request quoted by banks reasonably selected by the Issuing Agent, for deposits of EUR 10,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Euro offered for the relevant period.

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

**"Existing Debt"** means the senior secured bank financing of approximately EUR 308 million incurred by the Group under (i) a term loan facilities agreement originally dated 22 April 2015 (as amended from time to time) with Nordea Bank Finland Plc as mandated lead arranger, (ii) a term loan facilities agreement originally dated 2 March 2016 (as amended from time to time) with Nordea Bank Finland Plc as mandated lead arranger, and (iii) a term loan facilities agreement originally dated 5 February 2016 (as amended from time to time) with Danske Bank Oyj as lender.

**"Final Maturity Date"** means 26 May 2021.

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

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

**"Financial Indebtedness"** means:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is treated as a finance lease in accordance with the accounting principles applicable on the Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (not including receivables sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (g) any amount raised by the issue of redeemable shares, including preference shares, which are redeemable (other than at the option of the Issuer) before the Final Maturity Date; and

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

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

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

**"Floating Rate Margin"** means 4.50 per cent. *per annum*.

**"Force Majeure Event"** has the meaning set forth in Clause 24(a).

**"Group"** means the Issuer and its Subsidiaries (including the Targets) from time to time (each a **"Group Company"**).

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

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

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

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

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

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

**"Interest Payment Date"** means 26 February, 26 May, 26 August and 26 November of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 26 May 2018 and the last Interest Payment Date shall be the relevant Redemption Date.

**"Interest Period"** means (i) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

**"Interest Rate"** means EURIBOR (3 months) plus the Floating Rate Margin.

**"Issue Date"** means 5 March 2018.

"**Issuer**" means Cibus Nordic Real Estate AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 559135-0599.

"**Issuing Agent**" means Pareto Securities AB, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"**LTV Ratio**" means at any time in relation to the Group, the aggregate of the Net Interest Bearing Debt of the Group as a percentage of the aggregate Value of the Properties.

"**Maintenance Test**" means the financial test as set out in Clause 11.1 (*Maintenance Test*).

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

"**Material Adverse Effect**" means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Issuer's ability to perform and comply with its payment obligations under these Terms and Conditions and the undertakings as set out in Clause 12 (*General Undertakings*), or (c) the validity or enforceability of the Finance Documents.

"**Material Group Company**" means the Issuer, a Subsidiary (on a consolidated basis) representing more than 5 per cent. of the total assets of the Group on a consolidated basis according to the latest Financial Report or a Subsidiary owning a Property.

"**MTF**" means any multilateral trading facility (as defined in Directive 2014/65/EC on markets in financial instruments).

"**Net Finance Charges**" means, for the Relevant Period, the Finance Charges according to the latest Financial Reports, after deducting any interest payable for that Relevant Period to any Group Company and any interest income relating to Cash or Cash Equivalent (and excluding any interest capitalised on shareholder loans).

"**Net Interest Bearing Debt**" means the aggregate interest bearing debt less Cash and Cash Equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, bank guarantees, shareholder loans, any claims subordinated pursuant to a subordination agreement and interest bearing debt borrowed from any Group Company).

"**Net Proceeds**" means the proceeds from the issuance of the Bonds after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner.

"**Nominal Amount**" means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which that Bond has been redeemed in part pursuant to Clause 9.4 (*Voluntary partial redemption*) and Clause 12.9(b) (*Insurance*).

"**Permitted Debt**" means any Financial Indebtedness:



- (a) incurred under the Bonds;
- (b) taken up from a Group Company;
- (c) of the Group under any guarantee issued by a Group Company for the obligations of any Group Company, in the ordinary course of business;
- (d) related to any agreements under which a Group Company leases office space (Sw. *kontorshyresavtal*) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company's business;
- (e) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (f) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (g) incurred under Advance Purchase Agreements;
- (h) incurred under any Subordinated Loan;
- (i) incurred under any counter-indemnity obligation and in the ordinary course of business;
- (j) incurred by the Issuer if such Financial Indebtedness is unsecured and ranks *pari passu* or is subordinated to the obligations of the Issuer under the Terms and Conditions and (i) meets the Incurrence Test on a *pro forma* basis, (ii) has a final maturity date or a final redemption date, and (iii) when applicable, has early redemption dates or instalment dates, in each case (ii) and (iii) which occur after the Final Maturity Date;
- (k) incurred under the Existing Debt;
- (l) incurred by a Group Company (other than the Issuer) if such Financial Indebtedness meets the Incurrence Test on a *pro forma* basis;
- (m) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds; and
- (n) any other Financial Indebtedness incurred by the Issuer and/or a Group Company not in aggregate exceeding EUR 5,000,000.

**"Permitted Security or Guarantee"** means any security or guarantee:

- (a) under the Finance Documents;
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements

but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);

- (c) provided in relation to any lease agreement entered into by a Group Company;
- (d) provided pursuant to items (j), (k), (l) and (m) of the definition of Permitted Debt;
- (e) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (f) provided for interest rate hedging transactions set out in paragraph (f) of the definition Permitted Debt; and
- (g) any guarantees issued in the ordinary course of business by, or for the benefit of or in respect of the obligations of, a Group Company.

**"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.

**"Proceeds Account"** means a bank account of the Issuer held with a bank, into which the Net Proceeds will be transferred and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Proceeds Account Pledge Agreement.

**"Proceeds Account Pledge Agreement"** means the pledge agreement entered into between the Issuer and the Agent on or about the Issue Date in respect of a first priority pledge over the Proceeds Account and all funds held on the Proceeds Account from time to time, granted in favour of the Agent and the Bondholders (represented by the Agent).

**"Properties"** means all properties owned by the Issuer from time to time including, initially, the 123 properties included in the property portfolio which have been acquired through the acquisition of the Targets (each a **"Property"**).

**"Property Event"** means the occurrence of an event or series of events whereby more than 25 per cent. of the aggregated Value of the Properties are located in a jurisdiction other than Finland.

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

**"Quota Issue Agreement"** means the agreement entered into on 24 January 2018 by the Issuer and the Sole Bookrunner for the purpose of facilitating the Issuer's delivery obligations against investors in the Equity Issue.

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

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

**"Reference Date"** means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding. With reference to the Maintenance Test, the first Reference Date shall be 30 June 2018.

**"Regulated Market"** means any regulated market (as defined in Directive 2014/65/EC on markets in financial instruments).

**"Relevant Period"** means each period of twelve (12) consecutive calendar months.

**"Restricted Payment"** has the meaning given to such term in Clause 12.2 (*Distributions*).

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

**"Sole Bookrunner"** means Pareto Securities AB.

**"Subordinated Loans"** means any loan incurred by the Issuer, if such loan (i) according to its terms and the Subordination Agreement, is subordinated to the obligations of the Issuer under the Terms and Conditions, (ii) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date, and (iii) according to its terms yield only payment-in-kind interest.

**"Subordination Agreement"** means a subordination agreement between, among others, the Agent, the Issuer and any creditor with respect to Subordinated Loans.

**"Subsidiary"** means an entity from time to time of which a person:

- (a) has direct or indirect control; or
- (b) owns directly or indirectly more than fifty (50) per cent of the share capital or other right of ownership.

**"Targets"** means Sirius Grocery Holding S.á r.l., reg. no. B192963, a company incorporated in Luxembourg and Sirius Fund II Holding S.á r.l., reg. no. B204268 a company incorporated in Luxembourg.

**"Total Assets"** means by reference to the consolidated balance sheet of the Group, the consolidated book-value of all assets of the Group in accordance with the accounting principles of the Group.

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

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

"**Value**" means the market value of the Properties as set out in the most recent valuation report which must not be older than twelve months and which shall be prepared by a reputable appraiser (appointed by the Issuer).

"**Vendor Notes**" means two vendor notes to be issued by a Subsidiary of the Issuer to the sellers of the Targets as part of the purchase price for the Targets in an aggregated amount corresponding to such sellers (or a subsidiary of such sellers) subscriptions for shares in the Equity Issue.

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

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
- (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Sw. Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2. Status of the Bonds

- (a) The Bonds are denominated in Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The initial nominal amount of each Bond is EUR 100,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Bonds is EUR 135,000,000. All Bonds are issued on a fully paid basis at an issue price of one hundred (100) per cent. of the Initial Nominal Amount.
- (d) The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.
- (e) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (f) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

## 3. Use of Proceeds

The Issuer shall use the Net Proceeds, less the costs and expenses incurred by the Issuer in connection with the issue of the Bonds, for (i) financing the acquisitions of the Targets, and (ii) financing general corporate purposes of the Group including refinancing of any Existing Debt.

## 4. Conditions Precedent

- (a) The payment of the Net Proceeds to the Proceeds Account is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, to the Agent, in form and substance satisfactory to the Agent (acting reasonably):
  - (i) certificate of registration and articles of association for the Issuer;
  - (ii) corporate resolutions for the Issuer;
  - (iii) an agreed form Compliance Certificate;

- (iv) evidence of the completion of the acquisition of the Targets, immediately following disbursement of the Net Proceeds;
- (v) evidence through:
  - (A) duly executed copies of vendor notes (if applicable),
  - (B) a copy of the statement made by the Company's auditor evidencing payment for the shares issued to the Sole Bookrunner pursuant to the Quota Issue Agreement; and
  - (C) duly executed copies of documents evidencing a shareholder contribution,

that equity of at least EUR 300,000,000 (less (i) any transaction costs for the Equity Issue and (ii) any amount allocated in the Equity Issue, but not paid-in, provided that an equivalent amount of the purchase price for the Targets is paid for by way of a vendor note (excluding the Vendor Notes)) has been contributed in cash or in kind to the Issuer; and

- (vi) duly executed copies of the Finance Documents.
- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to this Clause 4 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation and evidence. The Agent does not review the document and evidence referred to in this Clause 4 above from a legal or commercial perspective of the Bondholders.
  - (d) When the conditions precedent for disbursement set out in Clause 4(b) have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account in accordance with Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account.
  - (e) If the conditions precedent for disbursement set out in Clause 4(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) no later than 21 March 2018, the Issuer shall repurchase all Bonds at a price equal to one hundred (100) per cent. of the Nominal Amount without any accrued Interest. Any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4(e). The repurchase date shall fall no later than thirty (30) Business Days after 21 March 2018.

## 5. Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.

- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- (f) At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.

## **6. Right to Act on Behalf of a Bondholder**

- (a) If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.
- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## **7. Payments in Respect of the Bonds**

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

- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8(d) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- (e) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **8. Interest**

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

## **9. Redemption and Repurchase of the Bonds**

### **9.1 Redemption at maturity**

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



## 9.2 Issuer's purchase of Bonds

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

## 9.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
- (i) any time from and including the Issue Date to, but excluding, the first Business Day falling 27 months after the Issue Date at an amount per Bond equal to 108.00 per cent. of the Nominal Amount together with accrued but unpaid Interest;
  - (ii) any time from and including the first Business Day falling 27 months after Issue Date to, but excluding, the first Business Day falling 33 months after the Issue Date at an amount per Bond equal to 101.50 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the first Business Day falling 33 months after Issue Date to, but excluding, the first Business Day falling 36 months after the Issue Date at an amount per Bond equal to 101.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
  - (iv) any time from and including the first Business Day falling 36 months after Issue Date to the Final Maturity Date at an amount per Bond equal to 100.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

## 9.4 Voluntary partial redemption

- (a) The Issuer may on one occasion, being no earlier than the date occurring 21 months after the Issue Date, make a partial repayment of Bonds in an amount of maximum EUR 60,000,000. Such partial repayment shall reduce the Nominal Amount of each Bond *pro rata* and shall be made together with accrued but unpaid interest and a premium of 2 per cent. of the repaid amount.
- (b) Partial redemption in accordance with Clause 9.4(a) shall be made by the Issuer giving not less than twenty (20) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in Euro and paid to the person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

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

- (a) Upon a Change of Control Event, a Property Event or a De-listing Event occurring, each Bondholder shall have the right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event, a Property Event or a De-listing Event pursuant to Clause 10.1(c) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event, a Property Event or De-listing Event.
- (b) The notice from the Issuer pursuant to Clause 10.1(c) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1(c). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.5(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.

## 10. Information to Bondholders

### 10.1 Information from the Issuer

- (a) The Issuer will make the following information available to the Bondholders by way of press release and by publication on the website of the Group:
  - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its 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, for such financial year;
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, or the year-end report (Sw. *bokslutskommuniké*), as applicable, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, for such period; and

- (iii) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market or the MTF on which the Bonds are admitted to trading.
- (b) When and for as long as the Bonds are listed on the corporate bond list of either (A) Nasdaq Stockholm, the Financial Reports shall, in addition, be prepared in accordance with IFRS and made available in accordance with the rules and regulations of Nasdaq Stockholm (as amended from time to time) and the Swedish Securities Market Act, or (B) Nasdaq First North, the Financial Reports shall be made available in accordance with the rules and regulations of Nasdaq First North (as amended from time to time) and the Swedish Securities Market Act.
- (c) The Issuer shall immediately notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event, a Property Event or a De-listing Event. Such notice may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- (d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 10.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (e) The Issuer shall issue a Compliance Certificate to the Agent (i) in connection with each Financial Report, (ii) in connection with a Restricted Payment and (iii) in connection with incurrence of Financial Indebtedness under item (j) of the definition of Permitted Debt.
- (f) The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (g) The Issuer is only obliged to inform the Agent according to this Clause 10.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market or the MTF (as applicable). If such a conflict would exist pursuant to the listing contract with the Regulated Market or the MTF (as applicable) or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or the MTF (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 this Clause 10.1.

## **10.2 Information from the Agent**

Subject to the restrictions of any applicable law and regulation, the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to

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

### **10.3 Publication of Finance Documents**

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Group and the Agent.
- (b) The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours.

## **11. Financial Undertakings**

### **11.1 Maintenance Test**

The Issuer shall at all times procure that:

- (a) the LTV Ratio shall on each Reference Date not be higher than 70 per cent.; and
- (b) the Interest Coverage Ratio for the relevant Relevant Period shall on each Reference Date not be less than 1.75:1.

### **11.2 Testing of the Maintenance Test**

The Maintenance Test shall be tested quarterly on the basis of the interim report for the Relevant Period ending on a Reference Date on the basis of the Compliance Certificate delivered in connection therewith. The first test date for the Maintenance Test shall be 30 June 2018.

### **11.3 Incurrence Test**

The Incurrence Test is met if:

- (a) the Equity Ratio is at least 30 per cent.;
- (b) the LTV Ratio is not higher than 65 per cent.; and
- (c) only in relation to a payment of a Restricted Payment, the Interest Coverage Ratio is not less than 2.25:1,

and no Event of Default is continuing or would result from the incurrence of debt or the making of the Restricted Payment (as applicable).

### **11.4 Testing of the Incurrence Test**

The calculation of the Interest Coverage Ratio shall be made as per a testing date determined by the Issuer, falling no more than two months prior to the incurrence of Financial Indebtedness under item (j) of the definition of Permitted Debt, or the making of a Restricted Payment (as applicable). The Net Finance Charges shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new

Financial Indebtedness shall not reduce the Net Finance Charges). EBITDA shall be calculated as set out in Clause 11.5 (*Adjustments*) and based on the figures set out in the most recent Financial Report.

### 11.5 Adjustments

- (a) The figures for EBITDA and Net Finance Charges for the Relevant Period ending on the relevant Reference Date or test date shall be used but adjusted so that:
  - (i) entities acquired or disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and
  - (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period.
- (b) The figures for Net Financial Charges set out in the Financial Report as of the most recent quarter date (including when necessary, financial statements published before the Issue Date), shall be used, but adjusted so that Net Financial Charges for such period shall be:
  - (i) reduced by an amount equal to the Net Financial Charges directly attributable to any Financial Indebtedness of the Issuer or of any other Group Company repaid, repurchased or otherwise discharged with respect to the Issuer and the continuing Group Companies with the proceeds from disposals of entities referred to in the adjustment to EBITDA above (or, if the Financial Indebtedness is owed by a Group Company that is sold, the Net Financial Charges for such period directly attributable to the Financial Indebtedness of such Group Company to the extent the Issuer and the continuing Group Companies are no longer liable for such Financial Indebtedness after such sale);
  - (ii) increased on a *pro forma* basis by an amount equal to the Net Financial Charges directly attributable to (i) any Financial Indebtedness owed by acquired entities referred to in the adjustment to EBITDA above, and (ii) any Financial Indebtedness incurred to finance the acquisition of such entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant test period; and
  - (iii) increased on a *pro forma* basis by an amount equal to the Net Financial Charges directly attributable to any new Financial Indebtedness, calculated as if such debt had been incurred at the beginning of the relevant test period.
- (c) The calculation of the LTV Ratio shall be adjusted so that the Net Interest Bearing Debt for the Relevant Period is reduced with an amount equal to the reported Cash and Cash Equivalents.

## 12. General Undertakings

### 12.1 General

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

### 12.2 Distributions

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will, (i) pay any dividend on its shares (other than dividends, loans and group contributions to the Issuer or a Subsidiary of the Issuer), (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) grant any loans (other than in the ordinary course of trading, (v) repay any Subordinated Loans or capitalised or accrued interest thereunder, or (vi) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer (other than to the Issuer or a Subsidiary of the Issuer but, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis) ((i)-(vi) each being a "**Restricted Payment**").
- (b) Notwithstanding paragraph (a) above, a Restricted Payment may be made by the Issuer and/or a Subsidiary if at the time of the payment:
- (i) the aggregate amount of all Restricted Payments during one financial year of the Group does not exceed an amount corresponding to one hundred (100) per cent. of the consolidated net profit of the Group for the previous financial year (excluding any unrealised changes in value of the Properties);
  - (ii) no Event of Default is continuing or would result from such Restricted Payment; and
  - (iii) the Incurrence Test is met (calculated on a *pro forma* basis including the relevant Restricted Payment).
- (c) Notwithstanding paragraph (b)(i) above, the Issuer and/or a Subsidiary may make Restricted Payments during the financial year 1 July 2018 to 30 June 2019 in an aggregate amount up to EUR 25,000,000 provided that any such Restricted Payment is in compliance with applicable laws and regulations.

### 12.3 Nature of Business

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

### 12.4 Financial Indebtedness

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur any Financial Indebtedness, provided however that the Issuer and its Subsidiaries have a right to incur Financial Indebtedness that constitutes Permitted Debt.

## 12.5 Shareholder Loans

The Issuer shall procure that all shareholders of the Issuer (or Affiliates of the shareholders) or other creditor of the Issuer providing Subordinated Loans to the Issuer shall accede to the Subordination Agreement as a subordinated creditor.

## 12.6 Disposal of Assets

The Issuer shall not, and shall procure that no Subsidiary, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out on market terms and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

## 12.7 Dealings with Related Parties

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

## 12.8 Negative Pledge

The Issuer shall not, and shall procure that none of its Subsidiaries, provide, prolong or renew any security or guarantee over any of its/their assets (present or future) to secure or guarantee any loan or other indebtedness, provided however that the Group Companies have a right to provide, prolong and renew any Permitted Security or Guarantee.

## 12.9 Admission to Trading

- (a) The Issuer shall ensure that the Bonds issued on the Issue Date:
  - (i) are listed at the corporate bond list of Nasdaq Stockholm or Nasdaq First North within 60 calendar days after the Issue Date and with an intention to complete such listing within 30 calendar days after the Issue Date; and
  - (ii) if the Bonds are listed on Nasdaq First North pursuant to paragraph (a)(i) above ensure that the listing on Nasdaq First North is replaced by the Bonds being listed at the corporate bond list on Nasdaq Stockholm no later than one (1) year after the Issue Date.
- (b) The Issuer shall take all measures required to ensure that the Bonds, once listed on Nasdaq Stockholm or Nasdaq First North, continue being listed on Nasdaq Stockholm or Nasdaq First North (as applicable), other than due to a listing on Nasdaq Stockholm pursuant to paragraph (a)(ii) above, for as long as any Bond is outstanding (however, taking into account the rules and regulations of Nasdaq Stockholm and Nasdaq First North and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

## 12.10 Insurance

- (a) The Issuer shall, and shall procure that all other Group Company, keep the Properties insured to an extent which is customary for similar properties on the relevant

geographical market with one or more reputable insurers. The insurance cover shall, *inter alia*, include full re-instatement value insurance.

- (b) Upon the occurrence of a payment to the Group under an insurance relating to the Properties, the Issuer shall procure that such insurance proceeds are applied against reinvestment to remedy the damages for which the insurance proceeds was paid. If the insurance proceeds have not been so applied within six (6) months of the insurance event the insurance proceeds shall be immediately applied towards partial repayment on outstanding Bonds by way of reducing the Nominal Amount. The partial prepayment shall be made at the Nominal Amount without any premium together with accrued but unpaid Interest on the repaid amount.

### **12.11 Environmental**

The Issuer shall (and shall ensure that each member of the Group will) comply with all environmental laws and obtain, maintain and ensure compliance with all requisite environmental permits. The Issuer shall, promptly upon becoming aware of the same, inform the Agent of any claim, proceeding or investigation in respect of any such environmental law against any member of the Group which is current, pending or threatened where which, if determined against that member of the Group, has or is reasonably likely to have a Material Adverse Effect.

### **12.12 Property specific undertakings**

The Issuer shall ensure that as long as any Bonds are outstanding:

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

## **13. Events of Default and Acceleration of the Bonds**

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

### **13.1 Non-Payment**

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is caused by administrative or technical error and payment is made within 5 Business Days of the due date.

### **13.2 Maintenance Test**

The Issuer does not comply with the Maintenance Test.

### **13.3 Other Obligations**

The Issuer does not comply with the Finance Documents, in any other way than as set out under Clause 13.1 or 13.2 above, provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within 20 Business Days



from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

#### **13.4 Cross-Acceleration**

Any Financial Indebtedness of any Material Group Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 13.4 if the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 2,000,000.

#### **13.5 Insolvency**

- (a) 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 with a view to rescheduling its Financial Indebtedness; or
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.

#### **13.6 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) any proceedings, petitions or procedures that the Issuer, within 30 days of commencement, can demonstrate are frivolous or vexatious, (ii) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised and (iii), in relation to Subsidiaries, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company; and
- (b) 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 any analogous procedure or step is taken in any jurisdiction.

#### **13.7 Mergers and Demergers**

A decision is made that any Material Group Company shall be demerged or merged into a company which is not a Group Company if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

#### **13.8 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 of an amount equal to or exceeding EUR 2,000,000 and is not discharged within 60 calendar days.

### **13.9 Impossibility or Illegality**

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

### **13.10 Continuation of the Business**

The Issuer or any other Material Group Company ceases to carry on its business, except if due to (i) a merger or demerger permitted under Clause 13.7 (*Mergers and Demergers*), or (ii) a disposal permitted under Clause 12.6 (*Disposal of Assets*), if such discontinuation is likely to have a Material Adverse Effect.

### **13.11 Acceleration of the Bonds**

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, and shall following an instruction given pursuant to Clause 13.11(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 13.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 13.11 the Issuer shall redeem all Bonds at an amount per Bond equal to the redemption amount specified in Clause 9.3 (*Voluntary total redemption (call option)*) including accrued but unpaid Interest.

## 14. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 13 (*Events of Default and Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (i) first, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Finance Documents (other than any indemnity given for liability against the Bondholders, (ii) other cost, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2(e), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15(c);
  - (ii) secondly, in or towards payments *pro rata* of accrued but unpaid Interest under the Bonds (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
  - (iii) thirdly, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (iv) fourthly, in or towards payment *pro rata* of any other costs or outstanding amount unpaid under the Finance Documents.

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

- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14(a)(i).
- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (*Sw. redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14.
- (d) If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least 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 7(a) shall apply and for any partial redemption in accordance with Clause 9.4 (*Voluntary partial redemption*) due but not made, the Record Date specified in Clause 9.4(b) shall apply.

## 15. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
  - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (ii) on the Business Day specified in the communication pursuant to Clause 17(c), in respect of a Written Procedure,

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

- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(c):
  - (i) waive a breach of or amend an undertaking set out in Clause 12 (*General Undertakings*);
  - (ii) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
  - (iii) amend any payment day for principal or interest amount or waive any breach of a payment undertaking, or

- (iv) amend the provisions regarding the majority requirements under the Terms and Conditions.
- (f) Any matter not covered by Clause 15(e) shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18(a)(i) or (18(a)(ii))) or an acceleration of the Bonds.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
  - (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16(a)) or initiate a second Written Procedure (in accordance with Clause 17(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 15(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.

- (m) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Group and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **16. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 16(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 19.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 16(a).
- (c) The notice pursuant to Clause 16(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **17. Written Procedure**

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically in a manner determined by the Agent) no later than five (5) Business Days after receipt

of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.

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

## 18. Amendments and Waivers

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

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

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

### **19.1 Appointment of Agent**

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set forth in Clause 19.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under any obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

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

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents. The Agent is not responsible for the execution or enforceability of the Finance Documents.
- (b) 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 Bondholders, 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 Bondholders or any other person.
- (c) The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in these Terms and Conditions and the other Finance Documents, or



to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.

- (d) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (e) The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- (f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (g) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of Proceeds*).
- (h) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (i) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (j) 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 Bondholders, 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.
- (k) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2(j).

### 19.3 Limited liability for the Agent

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, 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.
- (d) The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 15 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 13.11.
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

### 19.4 Replacement of the Agent

- (a) Subject to Clause 19.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 19.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took

place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

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

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

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

## **21. No Direct Actions by Bondholders**

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

- (b) Clause 21(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 19.1(c), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2(j), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2(k) before a Bondholder may take any action referred to in Clause 21(a).
- (c) The provisions of Clause 21(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, a Property Event or a De-listing Event* (put option)) or other payments which are due by the Issuer to some but not all Bondholders.

## 22. Prescription

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

## 23. Notices and Press Releases

### 23.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch;
  - (ii) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch; and
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders. A Notice to the Bondholders shall also be published on the websites of the Group and the Agent.

- (b) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1(a).
- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.
- (d) If an Event of Default is continuing, any notice or other communication made by the Agent to the Issuer under or in connection with the Finance Documents may, provided that the Agent deems it necessary in order to preserve the Bondholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Agent), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Agent to the Issuer in accordance with this paragraph (d) shall be sent to the CFO or the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Agent.

### 23.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 9.4 (*Voluntary partial redemption*), 9.5 (*Mandatory repurchase due to a Change of Control Event, a Property Event or a De-listing Event (put option)*), 10.1(c), 13.11(c), 15(o), 16(a), 17(a) and 18(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 23.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

## 24. Force Majeure and Limitation of Liability

- (a) 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.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

- (c) Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **25. Governing Law and Jurisdiction**

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

**ADDRESSES**

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