



**Nivika Fastigheter AB (publ)**

relating to the listing of

Maximum of SEK 700,000,000

Senior Unsecured Floating Rate Bonds due 2021

ISIN: SE0011895796

Joint Bookrunners



Prospectus dated 17 January 2019

## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Nivika Fastigheter 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, Ringvägen 38, 331 32, Värnamo, with reg. no. 556735-3809., in relation to the application for the listing of the senior unsecured floating rate bonds denominated in SEK (the "**Bonds**") on the corporate bond list on NASDAQ Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Danske Bank A/S, Danmark, Sverige Filial and Skandinaviska Enskilda Banken AB (publ) have acted as joint bookrunners in connection with the issue of the Bonds (the each a "**Bookrunner**" and together, the "**Joint Bookrunners**"). 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) and the Issuer's website (nivika.se).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 38 (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, and references to "**SEK**" refer to Swedish krona.

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

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

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

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

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## **RISK FACTORS**

*Investing in bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect the Issuer's operations, earnings, financial position, future prospects and result and thereby the Issuer's ability to fulfil its payment obligations under the Bonds and the market value of the Bonds. Below is a description of risk factors which the Issuer and the Group considers to be the most relevant to an assessment by a potential investor of whether to invest in the Bonds. 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 and as further described below, this Prospectus contains 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. However, potential investors should note that the below risk factors are neither exhaustive nor ranked in order of importance and additional risk factors presently not known to the Issuer may affect the Issuer's future ability to fulfil its payment obligations under the Bonds or the market value of the Bonds. The intention is to describe risks that are linked to the Group's operations and the Issuer's ability to fulfil its obligations under the Terms and Conditions and to describe the risks related to an investment in the Bonds.*

### **RISKS RELATING TO THE ISSUER, THE GROUP AND THE MARKET**

#### **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 influenced by several factors on both a micro and macro level. 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 (as defined below) would adversely affect the valuation of the Group's property portfolio and hence affecting the Group's financial condition negatively.

The real estate industry is further materially affected by macroeconomic factors such as business cycles, regional economic development, employment, production of new residences and premises, changes to infrastructure, population growth, population structure, inflation, interest rate levels, etc. Market disruptions, especially on the Nordic real estate market, or negative business cycles on the global market, may affect the financial position of the Group's customers and thereby affect the demand for the Group's products and the ability to enter into agreements with the Issuer, which may

have a material adverse effect on the Group's operations, results and financial position, which may impact the Issuer's ability to repay the Bonds.

### **Operational risk**

The financial status and strength of the tenants of the properties currently owned, directly or indirectly, and operated by the Group as well as additional properties which may be acquired and added to the Group's portfolio going forward (the "**Properties**") and thus the tenants' ability to service the rent etc., will always be a decisive factor when evaluating the risk of property companies. 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 for increased maintenance costs, risk for decreased technical conditions and risk for hidden defects and emissions.

The lease agreements relating to the Properties have been entered into with different tenants however, as set out below, the Group's largest tenant accounting for approximately 16 per cent. of the Group's total annual rental income. There is a risk that many Properties become vacant, which would have a material adverse effect on the Group's financial position.

The Group's result is affected negatively if the tenancy ratio or the rental levels decrease. The Group has certain substantial tenants and there is a risk that these will not renew or prolong their lease agreements once they expire. 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 could affect the Group's financial condition negatively.

Returns from the Properties will depend largely upon, *inter alia*, rental income, the costs and expenses incurred in the asset management, refinement and property management, as well as on changes in the market value of the Properties. Both property value and the Group's ability to enter into lease agreements and to retain and obtain agreements with tenants may also be affected by competition from other property owners, or the perceptions of prospective buyers or the attractiveness, convenience and safety of the Properties.

Should any of the above mentioned risks materialise it could have a material negative impact on the Group's operations, earnings and financial position which may impact the Issuer's ability to repay the Bonds.

### **Dependence on key tenant**

The Group's largest tenant (who's ultimate owner is also a shareholder of the Group, please see further below) accounts for approximately 16 per cent. of the Groups rental income. Should the Group not be able to maintain its existing relation with such tenant, or should such tenant's financial position deteriorate, it could result in loss of rental income for the Group until new tenants can be approached and acquired. Loss of rental income as a result of difficulties with finding new tenants would risk having an adverse effect on the Group's business, financial position and results of operations and impact the Issuer's ability to repay the Bonds.

### **Financial risk**

Financial risks 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. Furthermore, there is a risk related to refinancing the existing debt facilities, as further described below, and that the margin and interest rate may be higher than the current situation.

### Refinancing risk

At maturity of the Group's debt, the Group will be required to refinance certain or all of its outstanding 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 at all.

The Group will also, in connection with refinancing of its debts, be exposed to interest risk 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.

Should the Group be unable to refinance its debt obligations on favourable terms, or available at all, it 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.

### Compliance with financing agreements

The Group has entered into different financing arrangements with a number of third party debt providers to finance its operations and business.

The loan agreements the Group has entered into, and any loan agreements that the Group could enter into, will make the Group subject to a number of covenants dictating actions the Group may and may not take. Should the Group breach these covenants, it may trigger increased amortisation and up-streaming restrictions. 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 negatively affect the Group's financial condition and the bondholders' recovery under the Bonds.

The Group is required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Bonds. Events beyond the Group's control, including changes in the economic and business conditions under 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 of the Bonds. 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 the Issuer having 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.

### Key personnel

The Group's future development is largely dependent on the skills, experience and commitment of its key employees and advisers. These persons have comprehensive knowledge of the Group and the industry in general. Therefore it is important for the Group's future business activities and development that it is able to retain, and where necessary also recruit, skilled personnel. If the Group should become unable to retain or recruit such personnel, this would adversely impact the Group's operations, financial position, earnings and results. The Group relies on consultants as all personnel (including the CEO) are employed by one of the Issuer's shareholders, Värnanäs AB ("**Värnanäs**"), and consequently hired by the Group. The Issuer has entered into a framework agreement with Värnanäs governing consultancy services (the "**Framework Agreement**") and a suborder agreement governing CEO services (the "**CEO Agreement**") (together, the "**Personnel Agreements**") which provides the terms and conditions for the Groups obtainment of personnel and CEO.

As of the date hereof there is no written contract between Värnanäs and the Group clearly governing the rights and obligations of such hired personnel.

If the Group would be unable to obtain personnel from Värnanäs or if the terms and conditions of the Personnel Agreements would materially change or if the Personnel Agreements would be terminated

or otherwise waived, this would have adverse effects on the Group's business and its financial condition.

### **Risks relating to the Personnel Agreements**

As described above, the Group is largely dependent on its personnel and therefore also on the Personnel Agreements to retain the skills, experience and commitment of its personnel and its CEO. The Personnel Agreements do not contain an obligation for Värnanäs to ensure that its employees (including the CEO) are bound by restrictive covenants with regards to non-competition and non-solicitation. In general, employees are bound by a duty of loyalty, including *inter alia* a non-competition undertaking during the employment. However, this applies only in relation to the employer, i.e. Värnanäs. Since the Issuer is not the employer, the Issuer is not protected in this respect. The previously stated entails that the personnel and the CEO would be free to independently compete with the Group's business and operations while engaged with the Group, which could negatively affect the personnel and the CEO's engagement with the Group. Furthermore, neither the CEO nor the personnel are bound by post-employment confidentiality undertakings in relation to the Issuer (however, certain employees have entered into confidentiality agreements with Värnanäs), this may limit the Issuer's ability to take action against the CEO or other personnel should they leave the Group for a competitor and bring with them and use information and know-how which could have a material adverse effect on the Group's business, result and financial position.

Furthermore, the Personnel Agreements do not contain an obligation for Värnanäs to ensure that its employees, including the CEO, are required to pay liquidated damages in the event of a breach of their obligations with regards to confidentiality and intellectual property.

Moreover, the Framework Agreement lacks an explicit undertaking for Värnanäs to keep its employees insured for, and against, any damages that may arise under the assignments which the Framework Agreement stipulates. Such lack of insurance may lead to difficulties for the Issuer to obtain compensation from Värnanäs for occurred damage. In case of damage, this could have a negative effect on the Group's business, result and financial position.

### **Risks associated with the demand for property projects**

The Issuer is dependent on finding appropriate projects to acquire, develop the projects successfully and finding suitable tenants for the projects. If the Issuer is unable to find projects to develop and divest, the Issuer's operations may be negatively affected. The Group has informed that it intends to expand its business within the residential housing projects segment, specifically development of rental apartments. The demand for residential projects (including rental apartments) are dependent on how the projects in question relate to the demand on the market, trends on the real estate market, the overall development of rent levels, demographical factors, salary development, return on savings and investments, employment, tax and fee rates and other factors which generally affect the household finances. If the demand for the residential property (including rental properties) is reduced, it could have a material adverse effect on the Issuer's operations, results and financial position, which may impact the Issuer's ability to repay the Bonds.

### **Risk related to residential lease agreements**

As part of their business, the Group has entered into several lease agreements regarding residential housing. According to the Swedish Land Code (Sw. *Jordabalk (1970:994)*), a tenant party to a residential lease is always entitled to three (3) months' notice period. The tenant may terminate the lease agreement observing a notice period of three (3) months, which means that there is a risk that the Group may at any time, with short notice, receive notice of termination which may incur a loss of rental income for the period until a new lease agreement can be entered into with a new tenant,

which would have a negative effect on the Group's operations, financial position, earnings and results, which may impact the Issuer's ability to repay the Bonds.

### **Geographic risk**

The Group's operations are mainly focused on the markets in Värnamo, Jönköping and Växjö. The Issuer is therefore highly dependent upon the development of, and would be affected to a greater extent by, changes affecting the economy and local business environment in Värnamo, Jönköping and Växjö. Any negative development in said areas may have an adverse effect on the Issuer's business, financial position, results of operations and future prospects and thereby, on the Issuer's ability to fulfil its obligations under the Bonds.

### **Competitive landscape**

The markets in which the Group operates are competitive and the Group has a number of competitors across different business areas and geographic markets. These competitors may grow to be stronger in the future, for example, by means of further consolidation in the relevant markets. The Group's possibility to compete also depends upon the Group's ability to anticipate future market changes and trends and to rapidly react to existing and future market needs. If the Group fails to meet the competition from new and existing companies or fails to react to market changes or trends, this will have an adverse effect on the Group's business, earnings or financial position, which may impact the Issuer's ability to repay the Bonds.

### **Project risk**

The ongoing projects on the Properties are at various stages. Property projects in early stages are always subject to significant risks and the acquisition of the expected values depends upon the successful implementation of the property projects. Property development projects entail risks relating to acquisition of properties, the zoning plan process, procurement of building permits and other necessary government approvals, procurement of construction contracts, eviction of current tenants and completion of the constructions, etc. There is a risk that the projects are delayed for various reasons or that the cost of the projects may overrun the estimated budgets. The projects may be aborted or become more expensive and thereby yield less profits than what is estimated by the Issuer, which may have a material adverse effect on the Issuer's operations, results and financial position, which may impact the Issuer's ability to repay the Bonds.

### **Construction risk**

Construction projects involve certain inherent risks. These risks include construction defects, construction technical defects which forbid the use of the properties for residential and/or commercial purposes, other latent defects, damages and pollutions. If these technical problems would occur, it could result in a delay of the planned constructions or development projects, or higher costs for constructions, which may have a negative effect on the Group's operations, financial position, earnings and results, which may impact the Issuer's ability to repay the Bonds.

### **Transaction risk**

The Group's operations include the acquisition of real estate. All transactions are subject to uncertainties and risks. In any property acquisition, there are uncertainties regarding, *inter alia*, evicting tenants and the occurrence of disputes relating to, *inter alia*, the acquisition or the condition of the acquired property or properties. Such uncertainties may result in the projects being delayed or increased or in unforeseen costs, which may have a material adverse effect on the Issuer's financial position, which may impact the Issuer's ability to repay the Bonds.

### **Technical risks**



Property investments and property management always contain a technical risk related to the operations of the property, including, but not limited to, construction issues, hidden defects, damage (including through fire or other natural disasters) and pollution. The Group generally conducts, and has historically conducted, limited due diligence in connection with acquisitions. In connection with major acquisitions, the Group also employs external consultants to conduct technical and environmental due diligence. These types of technical problems could result in significant unforeseen costs relating to the property. If one or several of the Properties encounters any technical issues in the future this could substantially increase the costs relating to such property, which would have a negative effect on the Group's operations, financial position, earnings and results, which may impact the Issuer's ability to repay the Bonds.

### **Dependency on zoning plan processes, building permits, and decisions**

In order for the Issuer to utilise and develop the Properties in the intended manner, various permits including zoning plans and building permits are required. There is a risk that necessary permits and decisions for the Properties are not granted. For example, the zoning plan has been appealed for one of the projects in Värnamo (Sw. *Sadelmakaren*). If the zoning plan and/or building permits are delayed, are not granted on the expected terms, appealed, and/or significantly delayed, or if the political decision making practice is altered in the future, the projects on the Properties may suffer delays or incur further costs. There is also a risk that the buildings on the Properties have been constructed and/or are used in breach with current building permits.

Should any of the above mentioned risks materialise it could have a material negative impact on the Group's operations, earnings and financial position, which may impact the Issuer's ability to repay the Bonds.

### **Environmental risk**

The starting point for the responsibility with respect to contaminations and other environmental damage is, according to the current environmental laws, that the business operator, current and present, bears the responsibility. The Group does not conduct any business which requires a permit according to the Swedish Environmental Code (Sw. *Miljöbalken (1998:808)*). However, there may be, or may have been, tenants on the Properties that conduct business which require a particular permit according to the Swedish Environmental Code, i.e. that are business operators according to the Swedish Environmental Code. For example, the Group has informed that one tenant operates a laundry facility and that one tenant operates a paint shop.

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

Further, previous business operators may have carried out after-treatment of a property in an acceptable manner according to the usage at that point in time. As a result of changed usage to commercial or residential purposes, the requirements for the Group may be higher. This could mean that the Group may have costs for after-treatment and cleaning-up in order to be able to use the property as desired.

The Group uses external consultants in order to conduct due diligence with respect to environmental issues in connection with acquisitions. However, there may be hidden environmental issues in acquired properties which have not been found in connection with the due diligence reviews.

Should any of the above mentioned risks materialise it could have a material negative impact on the Group's operations, earnings and financial position, which may impact the Issuer's ability to repay the Bonds.

#### **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 and that the estimates resulting from a valuation process will not reflect the actual sales price. Any future property market recession could 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.

#### **Dependency upon laws, regulations and decisions**

The Group's business and property development is regulated and affected by several different laws and regulations as well as proceedings and decisions related to these laws and regulations. For example, the Swedish Planning and Building Act (Sw. *Plan- och bygglagen (2010:900)*), building codes, security regulations, regulation related to building materials and rules regarding buildings, fire and safety requirements and environmental regulations, can all have an impact on the Group's business and the cost and ability to develop properties. The Group conducts its business accordance with its interpretation of applicable laws and regulations, however there is a risk that the Group's or its advisors' interpretation could be incorrect or that such laws and regulations may change in the future. The Group has informed that it is currently party to an ongoing environmental matter with regard to the Group's property in Borås. However, the estimated exposure amounts to merely SEK 50,000. Should the Group be exposed to regulatory compliance issues, there is a risk that the Group will be subject to fines or reputational risks. There is also a risk that laws or regulations may hinder the Group from developing or converting the Properties in accordance with their intentions, or that the projects are delayed or more costly than anticipated.

There is also a risk that changes to current laws and regulations could result in unexpected costs or lead to limitations in the development of the Group's business.

If one or several of the above factors would develop negatively or if any of the described risks would materialise, it could have a material adverse impact on the Group's operations, earnings and financial position, which may impact the Issuer's ability to repay the Bonds.

#### **Insurance**

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 would adversely impact the Group's operations, financial position, earnings and results, which may impact the Issuer's ability to repay the Bonds.

#### **Currency risk**

The Group's functional currency is SEK. Although the Group's revenues and costs are primarily denominated in SEK, the Group could have costs that are not denominated in SEK. The Group could consequently be exposed to unfavorable fluctuations in currency exchange rates, which may adversely impact the Group's operations, financial position and results, which may affect the Issuer's ability to repay the Bonds.

#### **Tax risk**

The Group's main tax risks are related to changes to or possible erroneous interpretations of tax legislation. Such changes or erroneous interpretations could lead to tax increases or other financial losses. Realisation of such risks might have a material adverse effect on the Group's business, financial condition, or results of operations, which may impact the Issuer's ability to repay the Bonds.

It is possible that the Group has made interpretations on the tax provisions that differ from those of the Swedish Tax Agency (*Sw. Skatteverket*), and that as a result, the Swedish Tax Agency will impose taxes, tax rate increases, administrative penalties, or other consequences on the Group's companies. This could have a material adverse effect on the Group's business, financial condition, or results of operations, which may impact the Issuer's ability to repay the Bonds.

#### **Risk related to interest restriction rules**

Due to the implementation of the European Union ("EU") Anti-tax Avoidance Directive, the Swedish Government has proposed to revise the domestic rules governing the tax deductibility of interest expenses. The new rules, which could still be subject to changes during the legislative process, will be applicable for financial years ending on or after 1 January 2019.

Under the current tax rules in Sweden, interest expenses are in principle fully deductible for tax purposes. However, there are restrictions regarding the deductibility of interest expenses on intra group debt. On 14 June 2018, the Swedish Parliament enacted a proposal on new tax rules for the corporate sector (*Sw. prop. 2017/18:245 Nya skatteregler för företagssektorn*), including the real estate sector (revised from the previously presented proposal). This could have a material adverse effect on the Group's business, financial condition, or results of operations, which may impact the Issuer's ability to repay the Bonds.

#### **Credit risk**

Where there is a risk that the Group's counterparties will be unable to fulfil their financial obligations towards the Group, the Group is exposed to credit risk. The financial situation of the Group's current and potential tenants and other counterparties may become such that they cannot pay the agreed rent or other amounts owed to the Group as they fall due or otherwise fail to fulfil their obligations. This would adversely affect the Group's operations, earnings, results and financial position, which may impact the Issuer's ability to repay the Bonds.

#### **Processing of personal data**

The Group registers, processes, stores and uses personal data in the course of its business on servers owned by the Group, located in Sweden. 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 EU, entered into force. The implementation of a new system for personal data processing and actions needed to ensure compliance with the GDPR may involve certain costs for the Group. The implementation of a new system for personal data processing 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. No external advisors has been commissioned by the Group to oversee or evaluate the Group's compliance with the GDPR.

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

### **RISKS RELATING TO THE BONDS**

#### **Risks relating to the shareholders and related parties**

The Issuer is currently controlled by four (4) principal shareholders, whose interest may conflict with the bondholders', particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. The shareholders are given the power to control a large amount of the matters to be decided by vote at a shareholders' meeting. For example, the shareholder will have the ability to elect the board of directors. Furthermore, the shareholders may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the bondholders and any such actions taken by the shareholders' could adversely affect the Group's operations, financial position and results.

As described above, the Group's largest tenant account for approximately 16 per cent. of the Group's rental income and the ultimate shareholder of such tenant is also a Shareholder of the Group and a board member of the Issuer. Moreover, the Group purchases certain property management services from a company which is controlled by certain shareholders of the Issuer and no written agreements have been entered into in relation to such property management services. The Group may also enter into other commercial agreements with affiliated parties and there is a risk that the agreements with the aforementioned tenant, the property manager or any other affiliated party are not entered into on arms' length terms, which may have an adverse effect on the Group's operations, financial position and results.

#### **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 STIBOR and other interest-rate benchmarks is subject to a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial

contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has applied. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of benchmark that is used for the Bonds, it would potentially have negative effects for the Bondholders.

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

Pursuant to the Terms and Conditions the Issuer has an obligation to use its best efforts list the Bonds on the corporate bond list of Nasdaq Stockholm within 12 months after the issue date of the Bonds (and with an intention to complete such listing within 30 calendar days after the issue date of the Bonds) or, if the Bonds are not admitted to the corporate bond list of Nasdaq Stockholm, another Regulated Market (as defined in Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended). However, there is a risk that the Bonds might not be admitted to trading. 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 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 if the Bonds are admitted for trading on the corporate bond list of Nasdaq Stockholm, 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, could 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.

#### **Risks relating to the Bonds being unsecured**

The Bonds constitute unsecured debt obligations of the Issuer. If the Issuer is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, all of the Issuer's secured obligations must first be satisfied, potentially leaving little or no remaining assets in the Issuer for the bondholders. As a result, the bondholders may not recover any or full value. The bondholders will only have an unsecured claim against the assets (if any) in the Issuer for the amounts under or in respect of the Bonds, which means that the bondholders normally would receive payment (*pro rata* with other unsecured non-priority creditors) after any priority creditors have been paid in full. Each investor should be aware that by investing in the Bonds, they risk losing the entire, or part of, its investment in the event of the Issuer's liquidation, bankruptcy or Group re-organisation. Further, the Issuer currently has outstanding secured debt, as further described below. Consequently, an enforcement of security furnished under the secured obligations can have a material negative effect on the bondholders' recovery under the Bonds.

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

The Group may, subject to certain limitations set out in the Terms and Conditions, incur additional, financial indebtedness and provide additional security for such indebtedness. The Group has granted security under the existing financing including security over the properties covering the full facility amounts and security over the shares in certain Group companies. Further, the Issuer and certain Group Companies have guaranteed other Group Companies obligations under existing financing. 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 holding 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 could have a material adverse effect on the Group's assets, operations and, ultimately, the position of the bondholders.

#### **Currency risks**

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

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

Under the Terms and Conditions, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date,

the holders of the Bonds have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions. However, there is a risk that the market value of the Bonds is higher than the early redemption amount (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.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put options) if, among other things, (i) the Bonds cease to be listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market (as defined in the Terms and Conditions)) or any subsequent bonds have not been admitted to listing on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) within 20 days after the issuance of such subsequent bonds, or (ii) if one or more persons, (other than Benny Holmgren, Niclas Bergman, Viktoria Bergman, Håkan Eriksson and Kristina Eriksson or any of their spouses or lineal descendants) 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 rights 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.

It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to carry out the required redemption of Bonds.

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

Under the terms and conditions for the Bonds, the Agent will represent 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, in certain situations, may take unilateral action against the Issuer or any other Group company (in breach of the Terms and Conditions). This could adversely affect an acceleration of the Bonds or other actions against the Issuer or any other member of the Group.

To enable the Agent 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 could negatively affect the legal proceedings.

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

#### **Bondholders' meetings**

The Terms and Conditions include certain provisions regarding bondholders' meetings and written procedures. Such meetings and procedures may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions will allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting or procedure and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting or written procedure. Consequently, the actions of the majority in such matters could impact a bondholder's rights in a manner that would be undesirable for some 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 may 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 has been or will be issued. Clearing and settlement relating to the Bonds is 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 and any problems thereof could have an adverse effect on the payment of interest and repayment of principal under the Bonds.

**Risks relating to amended or new legislation**

This document and the Terms and Conditions are based on Swedish law in force at the date of issuance of the Bonds. There is a risk that amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

**Conflict of interests**

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

|                                     |  |
|-------------------------------------|--|
| <b>Issuer</b> .....                 | Nivika Fastigheter AB (publ)   |
| <b>Bonds Offered</b> .....          | The aggregate amount of the bond loan will be an amount of up to a maximum of SEK 700,000,000. The Issuer may choose not to issue the full amount of Bonds on the First Issue Date and may choose to issue the remaining amount of Bonds at one or more subsequent dates. At the date of this Prospectus, an aggregate amount of Bonds of SEK 250,000,000 had been issued on the First Issue Date. |
| <b>Number of Bonds</b> .....        | Maximum 350.   |
| <b>ISIN</b> .....                   | SE0011895796.  |
| <b>First Issue Date</b> .....       | 29 November 2018.  |
| <b>Issue Price</b> .....            | All bonds issued on the First Issue Date have been issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount. The issue price of the Subsequent Bonds may be at a discount or at a premium compared to the Nominal Amount.   |
| <b>Interest Rates</b> .....         | Interest on the Bonds will be paid at a floating rate of three-month STIBOR plus 7 per cent. per annum.  |
| <b>Interest Payment Dates</b> ..... | 28 February 2019, 29 May 2019, 29 August 2019, 29 November 2019, 28 February 2020, 29 May 2020, 31 August 2020, 30 November 2020, 26 February 2021, 31 May 2021, 30 August 2021 and 29 November 2021. Interest will accrue from (but excluding) the Issue Date.  |
| <b>Nominal Amount</b> .....         | The Bonds will have a nominal amount of SEK 2,000,000 and the minimum permissible investment in the Bonds is SEK 2,000,000.  |
| <b>Status of the Bonds</b> .....    | The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer  |

undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.

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

- shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.

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

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

- (a) at any Business Day from, and including, the First Call Date to, but excluding, the date falling 30 months after the First Issue Date at an amount per Bond equal to 103.50 per cent. of the Nominal Amount;
- (b) at any Business Day from, and including, the date falling 30 months after the First Issue Date, to, but excluding, the Final Maturity Date at an amount equal to 101.75 per cent. of the Nominal Amount; and
- (c) notwithstanding anything above, at any Business Day from, and including, the date falling 33 months after the First Issue Date, to but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount provided that the redemption is financed by way of one or several Market Loan issues.

**First Call Date**..... Means the date falling 24 months after the First Issue Date.

**Final Maturity Date** ..... Means 29 November 2021.

**Change of Control Event**..... Means the occurrence of an event or series of events whereby one or more persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders),

acting together, acquire control over the Issuer and where "**control**" means (i) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

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

- restrictions on making any changes to the nature of their business;
- a negative pledge, restricting the granting of security for the purpose of securing any Market Loans (as defined in the Terms and Conditions); and
- limitations on the making of distributions and disposal of assets.

The Terms and Conditions contain incurrence covenants which govern the ability of the Issuer and the other Group Companies to incur additional debt. Preceding a Restricted Payment, the Incurrence Test is met if:

- the Equity Ratio exceeds 27.5 per cent.; and
- no Event of Default is continuing or would occur upon the distribution.

The Terms and Conditions contains a Maintenance covenant whereby the Issuer shall ensure that:

- the Interest Coverage Ratio is at least 1.50:1;
- the Equity Ratio exceeds 25 per cent.; and
- the Loan to Value is below 70 per cent.

Each of these covenants is subject to significant exceptions and qualifications. For further details, see Clauses 11 (*Financial Undertakings*) and 12 (*General Undertakings*) of the Terms and Conditions.

**Use of Proceeds .....** (a) The Net Proceeds from the Initial Bond Issue shall be used to (i) finance general corporate purposes, including investments and acquisitions, (ii)

refinancing of outstanding loans, and (iii) finance Transaction Costs.

- (b) The Net Proceeds from any Subsequent Bond Issue shall be used to (i) finance general corporate purposes, including investments and acquisitions, (ii) refinancing of outstanding loans, and (iii) finance Transaction Costs.

|                                    |  |
|------------------------------------|--|
| <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>                | Application has been made to list the Bonds on the corporate bond list on Nasdaq Stockholm.  |
| <b>Agent.....</b>                  | Means Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.   |
| <b>Issuing Agent .....</b>         | Means Danske Bank A/S, Danmark, Sverige Filial, reg. no. 516401-9811, or another party replacing it, as Issuing Agent, in accordance with these 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 Issuer on 7 September 2018, and was subsequently issued by the Issuer on 29 November 2018. This Prospectus has been prepared in connection with the Issuer'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 Issuer is responsible for the information given in this Prospectus. The Issuer and its board of directors is the source of all company specific data contained in this Prospectus and the Lead Manager has conducted no efforts to confirm or verify the information supplied by the Issuer or its board of directors. The board of directors of the Issuer 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 Issuer'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 Issuer 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.

16 January 2019

Nivika Fastigheter AB (publ)

*The board of directors*

## DESCRIPTION OF MATERIAL AGREEMENTS

The following is a summary of the material terms of material agreements to which the Issuer 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.

### Interest Swap Arrangements

The Group has entered into ten interest swap agreements, with an average fixing of 7.2 years. No swap agreement amounts to more than SEK 100,000,000.

### Loan and Credit Agreements

The Group has entered into a number of loan agreements with respect to the Properties with, *inter alios*, Danske Bank and Skandinaviska Enskilda Banken as lenders. Four (4) of these loans each amounts to more than SEK 100,000,000. As security for these loans, the Group has pledged certain property mortgage certificates of the Properties and issued certain parent company guarantees.

## DESCRIPTION OF THE GROUP

### History and development

Nivika Fastigheter AB (publ) was incorporated on 31 July 2007 and is a Swedish public limited liability company operating under the laws of Sweden with reg. no. 556735-3809.

The registered office of the Issuer and the Issuer's headquarter is Ringvägen 38, 331 32, Värnamo, with telephone number +46 770-22 01 50.

In accordance with the articles of association of the Issuer, adopted on 7 September 2018, the objects of the Issuer are to own and manage small and medium-sized companies, conduct trading and management of shares and other securities and thereto related activities.

### History

#### 2000

The Board Member Niclas Bergman acquired a property portfolio in Värnamo, bought out his father from the company and his wife and current Board Member, Viktoria Bergman became a shareholder and the Group was founded.

#### 2006

The Group acquires the 12,000 square metre property Tre Liljor in Värnamo together with certain other properties in the Värnamo area. With these purchases, the property value managed by the Group doubled.

#### 2008

Planch AB gains ownership of the Group and Håkan Eriksson becomes a member of the Board of Directors.

#### 2011

The Group acquired several properties in Jönköping, *inter alia*, the courthouse.

#### 2014

The Group acquires the operating property of car dealer Holmgren Group AB in Jönköping. Holmgren Group AB becomes a shareholder of the Group

#### 2017

The Group closes a deal regarding the purchase of the building rights to 145 apartments in the Jönköping area.

#### 2018

The Group develops and lets 13,000 sqm to Brenderup Group AB at Stigamo and develops 66 environmentally friendly apartments called Samset in Jönköping.

The Issuer issued senior unsecured bonds in an amount of SEK 250,000,000 under a framework of SEK 700,000,000.

### Business and operations

#### Overview

The Group's primary focus is to own, develop and manage commercial and rental properties in Jönköping, Värnamo and Växjö. Split by property value, the Group's portfolio currently consist of 75 per cent. commercial properties and 25 per cent. rental properties.

The Group's strategy is to develop properties to manage and remain as a long-term owner. The Group aim to have a property portfolio containing at least 40 per cent. rental properties.

The Group works to eliminate risk by initiating construction once tenants for the properties are found. Typically 100 per cent. is let out before construction starts and never less than 70 per cent. Construction of rental apartments is initiated when there is an identified demand for such properties.

#### Organisation and resources

In order to ensure that the projects maintain a high level of quality, the Group steers and manages all of its projects internally. All employees of the Group are employed by Värnanäs AB, a shareholder of the Issuer, and outsourced to the Group under a personnel agreement and a CEO-agreement.

The Group does not have its own building operations but rely on different local construction companies for construction of the Group's various properties. Further, cleaning services and garden work is outsourced to Yälp Facility AB.

#### **Business model and market overview**

The Group's primary focus and market lies in the Swedish province of Småland with a focus on the cities of Jönköping, Växjö and Värnamo. The Group key focus is owning, managing and developing commercial properties and rental apartments in such area over long term periods.

The Group is currently searching for new projects with a long term goal of reaching a diversified property portfolio containing approximately 40 per cent. rental properties.

The Group does not acquire nor develop any properties without recognising demand for the planned project or projects and commercial properties are in general never built or developed without having a tenant in place for such property.

#### **Share capital and ownership structure**

The shares of the Issuer are denominated in SEK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Issuer had an issued share capital of SEK 2,650,000 divided into 26,500 shares.

The following table sets forth the ownership structure in the Issuer as per the date of this Prospectus.

| <i>Shareholder</i>             | <i>No. of shares</i> | <i>Share capital</i> | <i>Voting Rights</i> |
|--------------------------------|----------------------|----------------------|----------------------|
| Holmgren Group AB, 556371-2610 | 5,830                | 22 %                 | 22 %                 |
| Pollock Invest AB, 556818-6620 | 2,120                | 8 %                  | 8 %                  |
| Planch AB, 556722-7375         | 7,950                | 30 %                 | 30 %                 |
| Värnanäs AB, 556735-3783       | 10,600               | 40 %                 | 40 %                 |
| <b>Total</b>                   | <b>26,500</b>        | <b>100.00 %</b>      | <b>100.00 %</b>      |

Värnanäs AB, 40 per cent.



Värnanäs AB was incorporated on 31 July 2007 and is a Swedish private limited liability company operating under the laws of Sweden with reg. no. 556735-3783.

The registered office of the Issuer is Ringvägen 38, 331 32, Värnamo.

In accordance with the articles of association of Värnanäs AB, adopted on 16 March 2012, the objects of the company are to purchase, sell, own and manage real property and value documents, to manage equestrian and breeding activities, solariums and to manage contracting work preferably within property management and thereto related activities.

Värnanäs AB is owned by the Board Members Niclas and Viktoria Bergman who each hold 50 per cent. of the shares in the company.

#### Board and Management shareholders

Management shareholders include the following members of the Issuer's management:

- Niclas Bergman, CEO and Board Member
- Viktoria Bergman, Financial Manager and Board Member
- Benny Holmgren, Board Member

#### **Shareholders' agreements**

The Group's shareholders has entered into a shareholders' agreement dated 10 January 2019 regulating the parties' various rights and obligations as regards their holding of shares in the Issuer. The agreement's main terms include e.g.:

Board composition: the board of directors of Issuer shall consist of five (5) members with no less than four (4) and no more than five (5) deputy board members. Värnanäs AB shall be entitled to appoint three (3) board members (of which one board member shall be recruited externally) and no more than three (3) deputy board members and each of Holmgren Group AB and Planch AB shall be entitled to appoint one (1) board member and one deputy board member each. The external board member appointed by Värnanäs AB shall serve as the chairman of the board;

- Provision limiting distribution;
- Provisions limiting the shareholders right to sell any shares held by shareholder in the Issuer to any other person or entity than in accordance with the provisions in the shareholders' agreement; and
- Terms in relation to an exit (general terms for the exit including certain time limits, customary drag / tag along provisions and other obligations towards the other shareholders).

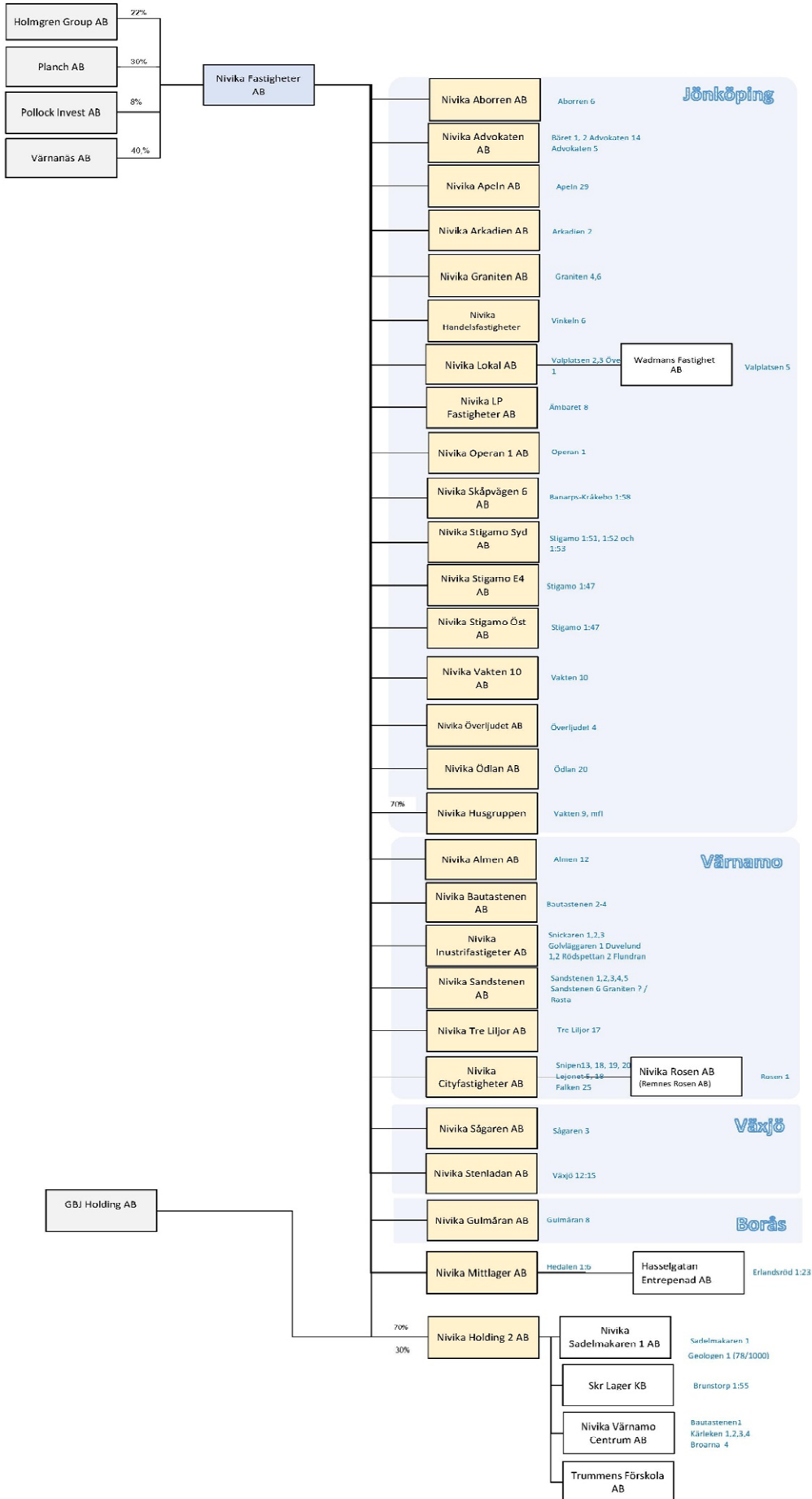
#### **Overview of Group structure**

As per 14 December 2018, the Issuer has, directly and indirectly, thirty-five (35) wholly- and partially-owned subsidiaries.

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

The structure of the Group, including its subsidiaries, is set out below. Unless specified in the overview below, all subsidiaries are owned to 100 per cent.

**NIVIKA-GRUPPEN**



**Recent events**

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

**Significant change and trend information**

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

**Legal and arbitration proceedings**

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

**Credit rating**

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

## MANAGEMENT

The board of directors of the Issuer currently consists of five (5) members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Ringvägen 38, 331 32 Värnamo. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Elisabeth Norman, chairman of the board since 2017.***

**Education and background:** Bachelor of Arts

#### **Current commitments:**

*Board member of:*

- Amasten Fastighets AB (publ);
- Amasten ledning AB
- ByggaBo i Pajala AB;
- Bygg Partner i Dalarna Aktiebolag;
- ByggPartner i Dalarna Holding AB (publ);
- Cibus Nordic Real Estate AB (publ);
- Cibus Sweden Real Estate AB;
- Aktiebolaget Enköpings Hyresbostäder (Chairman of the Board)
- Kittelfjällsliftarna AB;
- Kittelfjäll Utveckling AB;
- Örndalen Exploatering AB;
- Örndalen Holding AB;
- Örndalen Hotellfastighets AB; and
- Örndalen Lift AB.

Elisabeth Norman does not own any shares in the Issuer.

***Benny Holmgren, member of the board since 2016.***

**Education and background:** Main shareholder and CEO of Holmgren Group AB.

#### **Current commitments:**

*Board member of:*

- KABE Group AB;
- Holmgrens Autofinans AB;
- Holmgrens Bil i Småland AB;
- Holmgrens Bil Aktiebolag;
- Holmgren Group AB;
- Bilhuset Nr 1 i Helsingborg AB;
- Bilexpo Örebro Aktiebolag;
- Proauto Group Sverige AB (Chairman of the Board);
- Winmed Health AB (Chairman of the Board);
- Göteborgs Bilfinans AB;
- Proauto Fastigheter AB (Chairman of the Board);
- Holmgrens Bil i Göteborg AB;
- Flodin Holding i Jönköping AB (Chairman of the Board);
- Yälp Facility AB;
- Proauto Holding AB (Chairman of the Board);

- Proauto Fastigheter Linköping AB (Chairman of the Board);
- Proauto Fastigheter Norrköping AB (Chairman of the Board);
- Flodin IT AB (Chairman of the Board);
- Flodin Rekrytering & Bemanning AB (Chairman of the Board);
- Winmed Invest AB (Chairman of the Board);
- Gynhälsan Gislaved Care AB (Chairman of the Board);
- Gynhälsan i Jönköping AB (Chairman of the Board); and
- Krunomed Health AB (Chairman of the Board).

Benny Holmgren currently controls 30 per cent. of the shares in the Issuer through Holmgren Group AB and Pollock Invest AB.

***Håkan Eriksson, member of the board since 2008.***

**Education and background:** M.Sc. in Business and Economics

**Current commitments:**

*Board member of:*

- Skandinavkonsult i Stockholm Aktiebolag;
- Torkab Entreprenad AB;
- Planch AB;
- Ferronordic Machines AB;
- Skandinavkonsult Holding i Stockholm AB;
- DWG Sweden AB;
- Koch-Eriksson Holding AB; and
- DIAKRIT AB (Chairman of the Board).

Håkan Eriksson's spouse currently holds 50 per cent. of the shares in Planch AB, a shareholder of the Issuer currently owning 30 per cent. of the shares in the Issuer.

***Niclas Bergman, member of the board since 2000 and CEO.***

**Education and background:** Founder of the Group and the current CEO of the Issuer.

**Current commitments:**

*Board member of:*

- MOUNTROSE Ekonomisk förening;
- Nivika Cityfastigheter AB;
- Nivika Överljudet AB;
- Nivika Värnamo Centrum AB;
- Nivika Bautastenen AB;
- Nivika Graniten AB;
- Värnanäs AB;
- Nivika Lokal AB;
- Nivika Arkadien AB;
- Nivika Aborren AB;
- Nivika Rosen AB;
- Nivika Tre Liljor AB;
- Nivika Operan 1 AB;
- Hasselgatan entreprenad AB;
- Nivika Advokaten AB;
- Nivika Almen AB;

- Nivika Apeln 29 AB;
- Nivika Handelsfastigheter AB;
- Nivika Sandstenen AB;
- AB Wadmans fastighetsbolag;
- Nivika Gulmåran AB;
- Yälp Facility AB (Chairman of the Board);
- Nivika Industrifastigheter AB;
- Nivika LP Fastigheter AB;
- Nivika Skåpvägen 6 AB;
- Nivika Holding 2 AB (Chairman of the Board);
- Nivika Mittlager AB;
- Nivika Sadelmakaren 1 AB;
- Nivika Ödlan AB;
- Nivika Stigamo E4 AB;
- Nivika Stigamo Öst AB;
- Nivika Stigamo Syd AB; and
- Nivika Sågaren 3 AB.

Niclas Bergman currently holds 50 per cent. of the shares in Värnanäs AB, a shareholder of the Issuer currently owning 40 per cent. of the shares in the Issuer.

***Viktoria Bergman, member of the board since 2018, Founder and Financial Manager.***

**Education and background:** M.Sc. in Business and Economics

**Current commitments:**

*Board member of:*

- Dinner Bredasten AB (Chairman of the Board);
- Dinner Gruppen AB (Chairman of the Board);
- Dinner Värnamo AB (Chairman of the Board);
- Värnlock Invest AB (Chairman of the Board);
- Dinner Tändstickan AB (Chairman of the Board); and
- Poplanäs Invest AB (Chairman of the Board).

Viktoria Bergman currently holds 50 per cent. of the shares in Värnanäs AB, a shareholder of the Issuer currently owning 40 per cent. of the shares in the Issuer.

## Management

### **Niclas Bergman, CEO, Board Member and Founder**

*Niclas is an entrepreneur and the founder of the Group and has been acting as CEO of the Group since its inception.*

### **Viktoria Bergman, Financial Manager, Board Member and Founder**

*Viktoria holds a M.Sc. In Business and Economics and has been active within the Group since its inception.*

### **Janne Abrahamsson, Head of Business Development**

*Head of Business Development since 2016. Previous experience includes a role as head of HR with Holmgren Group AB.*

### **Kristina Karlsson, CFO**

*Kristina holds a M.Sc. in Business and Economics and has been acting as CFO since 2018. Previous experience includes a role as CFO with Rosti GP AB, a company within the Nordstjernan group.*

### **Dan Carlsson, Head of Property Management**

*Dan holds a realtor degree and has been acting as Head of Property Management since 2016. Previous experience includes a role as Head of Markets at Värnamo Energi AB. Dan's other assignments include roles as a board member in Värnamo City AB, Gallerians Företagarförening i Falkenberg, Ekonomisk förening, Trend House i Värnamo Aktiebolag, Värnamo Näringsliv AB, TK i Ljungagård AB and Trend Fastighets AB.*

### **Jörgen Svensson, Property Manager**

*Jörgen has been acting as a Property Manager since 2018. Jörgen's previous experience includes a role as Regional Manager at Primär Fastighetsförvaltning AB.*

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

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

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

The Joint Bookrunners and/or their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Lead Manager 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

The Group's consolidated financial statements for the financial year ended 31 August 2018 and the figures for the financial year ended 31 August 2017 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 annual report for the financial year ended 31 August 2017 has been prepared in accordance with the Generally Accepted Accounting Principles of Sweden ("**Swedish GAAP**"). The Group's consolidated financial statements for the financial year ended 31 August 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 financial year ended 31 August 2018 and the Group's consolidated annual report for the financial year ended 31 August 2017, the Group's auditor has not audited or reviewed any part of this Prospectus.

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

- consolidated income statement, page 6;
- consolidated balance sheet, page 7-8;
- consolidated statement of changes in equity, page 9;
- consolidated cash flow statement, page 10;
- notes, page 11-56; and
- the separate audit report, page 1-2.

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 31 August 2017 is incorporated into this Prospectus by reference. The other information set out in the consolidated financial statements for the financial year ended 31 August 2017 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 financial year ended 31 August 2018.

- consolidated income statement, page 4;
- consolidated balance sheet, page 5-6;
- consolidated statement of changes in equity, page 7;
- consolidated cash flow statement, page 8;
- notes, page 17-24; and
- the separate audit report, page 1-2.

### Factors affecting comparability of the historical financial information

The financial information for the financial year ended 31 August 2017 was prepared in accordance with Swedish GAAP. The Group has since then changed its accounting principles and the consolidated financial statements for the financial year ended 31 August 2018 was prepared in accordance with IFRS. The comparative historical financial information for the financial year ended 31 August 2017 has been retrospectively presented and prepared in accordance with IFRS and is presented together with

the financial information for the financial year ended 31 August 2018 to ensure the historical comparability between the financial periods.

### **Auditing of the annual historical financial information**

The Issuer's consolidated financial statements as at present and for the years 2017 to 2018 have been audited, as applicable, by Ernst & Young AB ("EY"), Box 512, 351 06 Växjö. EY has been the Issuer's auditor since 2000, and was re-elected for an additional year on the latest annual general meeting. Marika Sengoltz is the auditor who is currently responsible for the Issuer. Marika Sengoltz is an authorised auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

The financial information for the financial year ended 31 August 2017 was prepared in accordance with Swedish GAAP. The financial statements for the financial year ending 31 August 2017 was audited by the Issuer's previous auditor, Kristina Skärström. Kristina Skärström is an authorised auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden. The Group has since then changed its accounting principles and the consolidated financial statements for the financial year ended 31 August 2018 was prepared in accordance with IFRS. The comparative historical financial information for the financial year ended 31 August 2017 has been retrospectively presented and prepared in accordance with IFRS and is presented together with the financial information for the financial year ended 31 August 2018 to ensure the historical comparability between the financial periods.

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

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

The most recent financial information has been taken from the consolidated financial statements for the financial year ended 31 August 2018, which was published on 18 December 2018 on the Issuer's website [nivika.se](http://nivika.se).

## OTHER INFORMATION

### Assurance regarding the Prospectus

The Issuer is responsible for the content of the Prospectus and has taken all reasonable precautions to ensure that, as far as the Issuer 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 Issuer 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 SEK 250,000,000 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of SEK 700,000,000. Each Bond has a nominal amount of SEK 2,000,000. The ISIN for the Bonds is SE0011895796.

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 Issuer's website at nivika.se:

- the Group's consolidated financial statements and audit report for the financial year ended 31 August 2018 ([link to the document on the Issuer's website](#)); and
- page 4 – 8 and 17 – 24 from the Group's consolidated annual report for the financial year ended 31 August 2017 and the audit report for the financial year ended 31 August 2017 ([link to the document on the Issuer's website](#)).

### Documents available for inspection

The following documents are available at the Issuer's headquarters at Ringvägen 38, 331 32 Värnamo, on weekdays during the Issuer's regular office hours throughout the period of validity of this Prospectus.

- the Issuer's articles of association;
- the Issuer's certificate of registration;
- the Group's consolidated financial statements and audit report for the financial year ended 31 August 2018 and the Group's consolidated annual report for the financial year ended 31 August 2017; and
- this Prospectus.

The following documents are also available in electronic form on the Issuer's website nivika.se:

- the Group's consolidated financial statements and audit report for the financial year ended 31 August 2018 and the Group's consolidated annual report for the financial year ended 31 August 2017; and
- this Prospectus.

### **Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 210,000.

## TERMS AND CONDITIONS OF THE BONDS

### 1. Definitions and Construction

#### 1.1 Definitions

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

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

"**Accounting Principles**" means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (as in force on the First Issue Date).

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

"**Agency Agreement**" means the fee agreement entered into between the Agent and the Issuer on or about the First Issue Date regarding, *inter alia*, the remuneration payable to the Agent.

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

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

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

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

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

**"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.

**"Change of Control Event"** means the occurrence of an event or series of events whereby one or more persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders), acting together, acquire control over the Issuer and where **"control"** means (i) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

**"Completion Date"** means the date of disbursements of the proceeds to the Issuer.

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

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

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

**"EBITDA"** means, in respect of the Reference Period, 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 provided that such items are not in the excess of an amount equal to ten (10) per cent. of EBITDA in the Reference Period;
- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (e) not including any accrued interest owing to any Group Company;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which are accounted for on a hedge account basis);

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

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

**"Equity"** means, in accordance with the Accounting Principles, the consolidated sum of:

- (a) restricted equity and non-restricted equity pursuant to the most recent audited annual financial report of the Issuer; and
- (b) any Shareholder Debt.

**"Equity Ratio"** means Equity to Total Assets.

**"Final Maturity Date"** means 29 November 2021.

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

**"Finance Documents"** means:

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

**"Finance Leases"** means any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the Accounting Principles (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting



Principles shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as a finance lease.

**"Financial Indebtedness"** means any indebtedness in respect of:

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

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

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

**"First Call Date"** means the date falling 24 months after the First Issue Date.

**"First Issue Date"** means 29 November 2018.

**"Floating Rate Margin"** 7.00 per cent. per annum.

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

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

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

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

**"Insolvent"** means, in respect of a relevant Person, that it is deemed to be insolvent, within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (Sw. *konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), admits inability to pay its debts as the fall due, 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 each of 28 February 2019, 29 May 2019, 29 August 2019, 29 November 2019, 28 February 2020, 29 May 2020, 31 August 2020, 30 November 2020, 26 February 2021, 31 May 2021, 30 August 2021 and 29 November 2021. The first Interest Payment Date shall be 28 February 2019. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full).

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

"**Interest Rate**" means STIBOR plus the Floating Rate Margin, payable quarterly in arrear. If STIBOR plus the Floating Rate Margin is less than zero, the Interest Rate shall be deemed to be zero.

"**Issuer**" means Nivika Fastigheter AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556735-3809.

"**Issuing Agent**" means Danske Bank A/S, Danmark, Sverige Filial, reg. no. 516401-9811, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"**Joint Bookrunners**" means Danske Bank A/S, Danmark, Sverige Filial, reg. no. 516401-9811, and Skandinaviska Enskilda Banken AB, reg. no. 502032-9081.

"**Listing Failure Event**" means:

- (a) that the Bonds have not within 60 days after the First Issue Date been admitted to listing on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain or if the Issuer determines in its reasonable discretion to list the Bonds at another Regulated Market, such other Regulated Market;
- (b) any Subsequent Bonds have not been admitted to listing on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) within 20 days after the issuance of such Subsequent Bonds; or
- (c) in the case of a successful admission to listing, that the Bonds cease to be admitted to listing on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) without being admitted to trading on another Regulated Market.

"**Loan to Value**" means the Net Interest Bearing Debt to the Value of the Properties in accordance with the most recent Valuation.

"**Main Shareholders**" means Benny Holmgren, Niclas Bergman, Viktoria Bergman, Håkan Eriksson and Kristina Eriksson or any of their spouses or lineal descendants.

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

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

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

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

"**Net Interest Bearing Debt**" means the aggregate interest bearing Financial Indebtedness 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, capitalised interest with respect to Shareholder Debt or any claims subordinated pursuant to a subordination agreement on terms and conditions satisfactory to the Agent and interest bearing Financial Indebtedness borrowed from any Group Company).

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

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

"**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.

"**Property**" means any real property (Sw. *Fastighet*) owned by a member of the Group from time to time, jointly referred to as the "**Properties**".

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

"**Record Date**" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the 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 August, 30 November, 28 February and 31 May in each year for as long as any Bonds are outstanding.

**"Reference Period"** means each period of 12 consecutive calendar months.

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

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

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

**"Shareholder Debt"** means any shareholder loan made to the Issuer as debtor, if such loan:

- (a) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
- (b) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date unless a Restricted Payment is permitted under the Finance Documents.

**"STIBOR"** means:

- (a) the applicable percentage rate per annum displayed on Nasdaq's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

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

**"Subsequent Bond Issue"** has the meaning set out in Clause 2(d).

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

- (a) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners;

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

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

"**Total Assets**" means the consolidated book value of all assets of the Group pursuant to the most recent Financial Report calculated in accordance with the Accounting Principles.

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

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

"**Valuation**" means a valuation of the Properties prepared and issued by Forum Fastighetsekonomi AB or another independent and reputable appraiser, specifying the Value of the Properties.

"**Value**" means (i) the market value of the Properties pursuant to the most recent Valuation, or (ii) if so requested by the Agent, the average value of two Valuations.

"**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 Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The nominal amount of each Initial Bond is SEK 2,000,000 (the "**Nominal Amount**"). The Total Nominal Amount of the Initial Bonds is SEK 250,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) Provided that no Event of Default is continuing or would result from such issue, the Issuer may, at one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 700,000,000. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (e) The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law. 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

- (a) The Net Proceeds from the Initial Bond Issue shall be used to (i) finance general corporate purposes, including investments and acquisitions, (ii) refinancing of outstanding loans, and (iii) finance Transaction Costs.
- (b) The Net Proceeds from any Subsequent Bond Issue shall be used to (i) finance general corporate purposes, including investments and acquisitions, (ii) refinancing of outstanding loans, and (iii) finance Transaction Costs.

### 4. Conditions Precedent

- (a) The payment of the Net Proceeds from the Initial Bond Issue to the Issuer is subject to the Agent having received documents and evidence of the Conditions Precedent set out in clause 4(b) below being duly executed.
- (b) The Issuer shall provide, or procure the provision of, to the Agent the following documents and evidence:
  - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent), together constituting evidence that the Finance Documents have been duly executed;
  - (ii) copies of the Finance Documents, duly executed;
  - (iii) an agreed form Compliance Certificate; and
  - (iv) Valuations of the Properties (issued no more than 12 months prior to the First Issue Date).
- (c) If the conditions precedent for disbursement set out in Clause 4(b) have not been received by the Agent or waived by the Agent within sixty (60) Business Days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Nominal Amount together with any accrued Interest. Any funds distributed by the Agent to the Bondholders shall be deemed to be paid by the Issuer for the redemption under this Clause 4(c). Any shortfall shall be covered by the Issuer. The repurchase date shall fall no later than thirty (30) Business Days after the ending of the sixty (60) Business Days period referred to above.
- (d) The Net Proceeds from any Subsequent Bonds shall be transferred to the Issuer once the Issuer has provided a (i) Compliance Certificate to the Agent evidencing that no Event of Default is continuing or would occur upon such issuance and (ii) copies of necessary corporate resolutions for the Issuer for the issue of the Subsequent Bonds.
- (e) The Agent may assume that the documentation and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The conditions precedent are not reviewed by the Agent from a legal or commercial perspective of the Bondholders.

## 5. Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

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

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

## 7. Payments in Respect of the Bonds

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



relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

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

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

### **9.1 Redemption at maturity**

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

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

The Issuer and/or any Group Company may at any time and at any price purchase any Bonds on the market or in any other way. Bonds held by the Issuer and/or any Group Company may at the Issuer's discretion be retained or sold but Bonds held by the Issuer may not be cancelled.

### **9.3 Voluntary total redemption (call option)**

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full together with accrued but unpaid interest:
- (i) at any Business Day from, and including, the First Call Date to, but excluding, the date falling 30 months after the First Issue Date at an amount per Bond equal to 103.50 per cent. of the Nominal Amount;
  - (ii) at any Business Day from, and including, the date falling 30 months after the First Issue Date, to, but excluding, the Final Maturity Date at an amount equal to 101.75 per cent. of the Nominal Amount; and
  - (iii) notwithstanding anything above, at any Business Day from, and including, the date falling 33 months after the First Issue Date, to but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount provided that the redemption is financed by way of one or several Market Loan issues.
- (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 Mandatory repurchase due to a Change of Control Event or a Listing Failure (put option)**

- (a) Upon the occurrence of a Change of Control Event or a Listing Failure Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event or a Listing Failure Event pursuant to Clause 10.1(f) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or a Listing Failure Event.

- (b) The notice from the Issuer pursuant to Clause 10.1(f) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1(f). The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.4(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.4 may at the Issuer's discretion be retained or sold but not cancelled.

## 10. Information to Bondholders

### 10.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English or Swedish language by publication on the website of the Issuer:
  - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within two months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (Sw. *bokslutskommuniké*) (as applicable) including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors (provided that the first quarterly report to be delivered shall be for the period ending 28 February 2019); and
  - (iii) any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (b) When the Bonds have been listed, the reports referred to in Clause 10.1(a)(i) and Clause 10.1(a)(ii) shall be prepared in accordance with IFRS and made available in accordance with the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (c) When a Financial Report and other information are made available to the Bondholders pursuant to Clause 10.1(a), the Issuer shall send copies of such Financial Report and other information to the Agent.

- (d) The Issuer shall once in every twenty-four (24) month period deliver a Valuation for the Properties. In addition the Agent may at any time request a Valuation if the Agent has reason to believe that the Loan to Value covenant is breached. All costs for the Valuation shall be borne by the Issuer.
- (e) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
  - (i) in connection with the testing of the Incurrence Test;
  - (ii) in connection with that a Financial Report is made available; and
  - (iii) at the Agent's request, within twenty (20) days from such request.
- (f) The Issuer shall promptly notify the Agent (and, as regards a Change of Control Event, the Bondholders) when the issuer is or becomes aware of (i) the occurrence of a Change of Control Event, (ii) that 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 the foregoing) constitute an Event of Default has occurred, or (iii) that an Listing Failure Event has occurred and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.
- (g) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph 10.1(e) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (h) The Issuer is only obliged to inform the Agent according to this Clause 10.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 10.1.

## 10.2 Information from the Agent

- (a) Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 10.2(b), the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent

shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

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

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the website of the Group.
- (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 Covenants**

The Issuer shall ensure that:

- (i) the Interest Coverage Ratio is at least 1.50:1;
- (ii) the Equity Ratio exceeds 25 per cent.; and
- (iii) the Loan to Value is below 70 per cent.

### **11.2 Testing of the Maintenance Covenants**

- (a) The Maintenance Covenants shall be calculated in accordance with the Accounting Principles applicable to the Issuer and tested by reference to each of the Financial Reports on each Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be 28 February 2019.
- (b) The Loan to Value shall be calculated based on the most recently delivered Valuation.

### **11.3 Incurrence Test**

The Incurrence Test is met if:

- (a) the Equity Ratio exceeds 27.5 per cent.; and
- (b) no Event of Default is continuing or would occur upon the distribution.

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

The calculation of the Equity Ratio for the Incurrence Test shall be made as per a testing date determined by the Issuer, falling no more than one (1) day prior to the distribution.

## **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 in respect of its shares;
  - (ii) repurchase or redeem any of its own shares;
  - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to its shareholders;
  - (iv) repay any Shareholder Debt or pay any interest thereon;
  - (v) make any prepayments or repayments under any long-term debt ranking junior or *pari passu* with the Bonds;
  - (vi) grant any loans except in the ordinary course of business; or
  - (vii) make any other similar distribution or transfers of value to any Person,
- (paragraphs (i)-(vii) above are together and individually referred to as a "**Restricted Payment**").
- (b) Notwithstanding the above, a Restricted Payment may be made:
- (i) if made to the Issuer or a wholly-owned Subsidiary of the Issuer or, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a pro rata basis; and/or
  - (ii) if, the Incurrence Test is met (calculated on a pro forma basis including the relevant Restricted Payment): :
    - (A) during 2019, the Restricted Payments of the Group (other than payments permitted under paragraph (a) above) made during 2019 does not exceed SEK 20,000,000 in aggregate; or
    - (B) during 2020 and any year thereafter, the aggregate amount of the Restricted Payments of the Group (other than payments permitted under paragraph (a) above) during the relevant year does not exceed 20 per cent. of the Group's consolidated profit from property management (Sw. *Förvaltningsresultat*) (meaning profit before tax and before adding or deducting changes in the value of properties and derivatives) for the previous financial year.

## 12.3 Listing

The Issuer shall ensure that:

- (a) the initial Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain or if the Issuer determines in its reasonable discretion that a different Regulated Market should be preferred, admitted to trading on another Regulated Market within 12 months after the First

Issue Date and with an intention to complete such listing within 30 days after the First Issue Date;

- (b) any Subsequent Bonds are listed on the relevant Regulated Market within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 30 days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued before the date falling 12 months after the First Issue Date in which case such Subsequent Bonds shall be listed within 12 months after the First Issue Date with an intention to complete such listing within 30 days after the issuance of such Subsequent Bond); and
- (c) the Bonds, once admitted to trading on the corporate bond list of the relevant Regulated Market, continue to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

#### **12.4 Nature of Business**

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

#### **12.5 Market Loan Issues**

Provided that no Event of Default is continuing or would occur upon such issuance the Issuer may at one or more occasion(s) issue new Market Loans if such Market Loans:

- (a) ranks *pari passu* with, or are subordinated to, the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date; or
- (b) are Subsequent Bonds.

#### **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 (i) is carried out at fair market value and on arm's length terms and (ii) does not have a Material Adverse Effect.

#### **12.7 Negative Pledge**

The Issuer shall not, and shall procure that none of its Subsidiaries will, provide, prolong or renew any security over any of its/their assets (present or future) for the purpose of securing any Market Loans other than if such security is granted also as security for the Bonds on terms satisfactory to the Agent.

## **12.8 Mergers and Demergers**

The Issuer shall procure that none of its Subsidiaries will enter into a merger or demerger unless such merger or demerger is not likely to have a Material Adverse Effect and, in case of a merger involving the Issuer, the Issuer is the surviving entity.

## **12.9 Dealings at arm's length terms**

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

## **12.10 Compliance with laws and authorisations**

The Issuer shall, and shall make sure that its Subsidiaries will:

- (a) comply with all laws and regulations applicable from time to time; and
- (b) obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

## **12.11 Insurance**

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

## **12.12 Environmental**

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

## **12.13 Property specific undertakings**

The Issuer shall ensure that:

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

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

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

### **13.1 Non-Payment**

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



- (a) its failure to pay is caused by administrative or technical error; and
- (b) payment is made within five (5) Business Days of the due date.

### **13.2 Financial Covenant**

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

### **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 (Non-Payment) and Clause 13.2 (Financial Covenant), provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) 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-Payment and Cross-Acceleration**

Any Financial Indebtedness of a Group Company is:

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

provided that no Event of Default will occur under this paragraph 13.4 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 10,000,000 or (ii) it is owed to a Group Company.

### **13.5 Insolvency**

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

### **13.6 Insolvency Proceedings**

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

- (a) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. företagsrekonstruktion) (by way of voluntary agreements, scheme of arrangement or otherwise) of any Group Company; and

- (i) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets; or
- (ii) any analogous procedure or step is taken in any jurisdiction.

### **13.7 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 10,000,000 and is not discharged within 60 days.

### **13.8 Mergers and Demergers**

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

### **13.9 Impossibility or illegality**

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

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

The Issuer or any other Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect.

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

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 13.11(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 13.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If

the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds, the Issuer shall redeem all Bonds with an amount per Bond together with a premium on the due and payable amount as set out in Clause 9.3(*Voluntary total redemption (call option)*) for the relevant period and, shall for the non-call period (until the First Call Date) be the price set out in paragraph 9.3(a)(i).

#### **14. Distribution of Proceeds**

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

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

## 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 or other authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a Person who is, registered as a Bondholder:
- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (ii) on the Business Day specified in the communication pursuant to Clause 17(c)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) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, SEK 700,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
  - (ii) a change to the terms of any of Clause 2(a), and Clauses 2(e) to 2(f);

- (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
  - (iv) a change to the Interest Rate or the Nominal Amount;
  - (v) waive a breach of or amend an undertaking set out in Clause 12 (*General Undertakings*);
  - (vi) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of Proceeds*);
  - (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 15;
  - (viii) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
  - (ix) a mandatory exchange of the Bonds for other securities; and
  - (x) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 13 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by Clause 15(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18(a)(i) or 18(a)(ii)), 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.
- If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16(a)) or initiate a second Written Procedure (in accordance with Clause 17(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 15(g) shall not apply to such second Bondholders' Meeting or Written Procedure.

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

## **16. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (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 15.

- (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) 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 Clause 15(e) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15(e) 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 or waiver.
  - (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 18(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority, to the extent such registration is possible with the rules of the relevant CSD.
  - (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

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

### **19.1 Appointment of Agent**

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



obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

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

## 19.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders subject to and in accordance with the Finance Documents. The Agent is not responsible for the content, valid execution, legal validity or enforceability of the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) The Agent is not is obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) The Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- (g) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of Proceeds*).

- (h) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (j) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 19.2(i).

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

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall not be responsible for indirect loss.
- (b) The Agent shall not shall be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not shall be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by it to the Bondholders, provided that it has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.
- (d) The Agent shall not have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

## 19.4 Replacement of the Agent

- (a) Subject to Clause 19.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 19.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent be appointed.
- (d) If the Bondholders have not appointed a successor Agent within 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. 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 (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 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 17, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 17 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 9.4 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure (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 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 (c) 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, 10.1(f), 16(a), 16(c) and 17(a) 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 (*Stockholms tingsrätt*)

**ADDRESSES****ISSUER****Nivika Fastigheter AB (publ)**

Ringvägen 36  
SE-331 32 Värnamo  
Sweden  
Tel.: +46 770-22 01 50

**JOINT BOOKRUNNERS****Danske Bank A/S, Sverige Filial**

Norrmalmstorg 1  
SE-103 92 Stockholm  
Sverige  
Tel.: +46 75 248 45 42

**Skandinaviska Enskilda Banken AB (publ)**

Kungsträdgårdsgatan 8  
SE-111 47 Stockholm  
Sweden  
Tel: +46 77 136 53 65

**LEGAL COUNSEL****Roschier Advokatbyrå AB**

Brunkebergstorg 2  
P.O. Box 7358  
SE-103 90 Stockholm  
Sweden  
Tel.: +46 8 553 190 00

**AGENT****Nordic Trustee & Agency AB (publ)**

Norrlandsgatan 23  
P.O. Box 7329  
SE-103 90 Stockholm, Sweden  
Tel.: +46 8 783 79 00

**AUDITOR****Ernst & Young AB**

Box 512, 351 06 Växjö, Sweden  
Tel.: +46 470-755800  
Fax: +46 470-755849

**CENTRAL SECURITIES DEPOSITORY****Euroclear Sweden**

Klarabergsviadukten 63  
P.O. Box 191  
SE-101 23 Stockholm  
Sweden  
Tel.: +46 8 402 91 70