

Oscar Properties

Oscar Properties Holding AB (publ)

relating to the listing of

SEK 550,000,000

Senior Unsecured Floating Rate Bonds due 2024

ISIN: SE0016275143

Joint Bookrunners



Prospectus dated 26 August 2021 and valid until 26 August 2022

IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Oscar Properties Holding 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, Linnégatan 2, 102 43 Stockholm, Sweden, with reg. no. 556870-4521, in relation to the application for the listing of SEK 550,000,000 senior unsecured floating rate bonds, under a framework of up to SEK 1,000,000,000, (the "**Bonds**") on the corporate bond list on Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). DNB Markets, a part of DNB Bank ASA, Sweden Branch and Swedbank AB (publ) has acted as joint bookrunners in connection with the issue of the Bonds (the "**Joint Bookrunners**"). This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council (the "**Regulation**") and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and repealing Commission Regulation (EC) No 809/2004.

The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") as the competent authority under the Regulation. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the bonds that are subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 37 (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 Company'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 "**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 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 Company's management or are assumptions based on information available to the Group. The words "**considers**", "**intends**", "**deems**", "**expects**", "**anticipates**", "**plans**" and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts 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

*Risk factors deemed to be of importance for Oscar Properties Holding AB (publ), reg. no. 556870-4521 (the "**Company**") and its direct and indirect subsidiaries (together, the "**Group**" and each a "**Group Company**"). The Group's business and future development and risks relating to the Issuer's senior secured floating rate bond issue (the "**Bonds**") are described below. Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the terms and conditions of the Bonds entered into by the Issuer and the Agent (the "**Terms and Conditions**") (as applicable). The risk factors presented below are categorised as "RISKS RELATING TO THE GROUP" or "RISKS RELATING TO THE BONDS" on the basis of whether they pertain to the Group or to the Bonds. The materiality of the risk factors is disclosed by the use of a qualitative ordinal scale of low, medium or high. The assessment of the materiality of the risk factors have been based on a cumulative assessment of the probability of their occurrence and the expected magnitude of their negative impact. The risk factors are organised in several categories and the most material risk factor in a category is presented first in each category. Subsequent risk factors in the same category are not purported to be ranked in order of materiality.*

Group and market specific risks

Risks Related to the Company's Business Activities and Industry

High level risk

Dependency of key personnel, insufficient internal control and reputational degradation

The organisation of the Group is of limited size, and key persons include the CEO and the CFO. The further development of the Group is highly dependent on the knowledge, experience and commitment of the Group's key personnel. Historically, the Company and the Group has experienced a high staff turnover. The future success of the Group therefore, amongst other things, depends on the Group's ability to retain and motivate its key personnel. It also depends on the ability to recruit, retain and develop other qualified senior executives and key employees. There is a risk that key personnel may leave the Group and a subsequent failure of recruiting suitable successors could have material negative impact on the Group's operations, earnings and financial position. The Group is further very dependent on its CEO and founder, Oscar Engelbert, and if the Group fails to retain the CEO or if the CEO does not dedicate sufficient time to the Group, this would have a material negative impact on the Group's operations, earnings and financial position.

Moreover, the structure and the financial structure of the Group is complex and the Group is currently in an expansive phase. Should the Group not be able to implement and withstand corporate governance and internal control, for example due to rapid growth, there is a risk that the Group will not be able to deliver and present reliable financial information, monitor developments in the Group's ongoing Projects and effectively prevent fraud or other illegal use of the Group and its resources which could have a material negative effect on the Group's operations, earnings and financial position.

The Company's reputation is central to the Company's (and consequently, the Group's) operations and its earning capacity. Historical challenges relating to the Group could furthermore result in the

Group ending up in unfavourable negotiation positions, which could have a negative effect on the Group's operations and financial position. The Group's long-term profitability is based on home buyers, partners in joint ventures, lenders and other market participants in the real estate market associating the Group with positive values. Should the Group, any of its key personnel, any partner in a joint venture or any key person of such partner engage in an activity which contradicts the values that the Group is representing or should any Project not live up to the market expectations, there is a risk that the reputation of the Group is damaged and there is a risk that this would have an adverse effect on the Group's business, financial position and result of operation.

Medium level risk

Changes in value of the properties

The Group's properties are accounted for in the balance sheet at market value and the changes in value will be accounted for in the income statement. The value of the properties owned by the Group are affected by a number of factors, partly property specific such as vacancy rate, the rental level and operating costs, partly market specific such as yield requirements and cost of capital derived from comparable transactions on the real estate market. Both property specific deteriorations such as lower rental levels and increased vacancy rate and market specific deteriorations such as higher yield requirements may cause the Company to write-down the actual value of the acquired properties. Thus, there is a risk that the Group may be required to write-down the actual value of its properties which could have a material negative impact on the Group's financial position and the ability of the Company to fulfill its obligations under the Bonds.

Medium level risk

Project risks

The business of the Company and certain Group Companies include development of residential and commercial properties including construction of new buildings and/or conversion of existing buildings (the "**Projects**") whereas the target of the Company is to have Projects not exceeding ten (10) per cent. of the balance sheet of the Group. It is a prerequisite for the operations and business of the Group that the Projects can be carried out with financial profitability. The Projects are at various stages and, in order to finalise the Projects with financial profitability and without delays, it is critical that the Company and the relevant Group Companies are, *inter alia*, (i) able to withstand cost control, (ii) recruit relevant and competent personnel, (iii) receive relevant permits and licenses and, (iv) procure the relevant contracts on acceptable terms for the Projects. Certain Projects developed by the Group have, during recent years, been affected by delays and higher costs (than what has been originally anticipated) which consequently has resulted in a negative adverse effect on the Groups operations, financial position and earnings and there is a risk that ongoing and future Projects are affected correspondingly as a result of poor time management and lack of cost control. There is also a risk that the Group is unable to sell the Projects or that the sales price of the Projects will be lower than expected and therefore materially affecting the financial position of the Group.

Although the Group has discontinued with its contracting operations (Sw. *entreprenadverksamhet*), there are still certain remaining obligations for the Group with respect to previous and ongoing Projects where the Group has acted as a contractor. As such, the Group is, and will be, exposed to inherent risks in relation to such Projects. Such risks include technical risks and risks relating to environmental pollution. Should any of the aforementioned risks materialise, this could have a

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

Medium level risk

Competitive landscape

The success of the Group is dependent on the ability of the Group to anticipate changes in the market which in turn could result in cost increases or demand the Group to implement cost reductions and/or to amend the Group's business model. If the Group is not able to anticipate such changes or to update the business model, this could have a material adverse effect on the Company's operations, results and financial position, which may impact the Company's ability to repay the Bonds.

Moreover, the Group has a number of competitors in the real estate market. Such competitors have, in a large number of cases, greater financial resources than the Group. There is a risk that the number of competitors in the market may increase and that such an increase in competition could lead to a reduced demand for the Projects and/or affect the rent levels for the properties of the Group. This would entail for lower revenues of the Group and there is a risk that this will have an adverse effect on the Group's business, financial position and result of operation.

Medium level risk

Guarantees provided for condominium associations

As of the date of this Prospectus, the Company had provided guarantees in favour of certain condominium associations in order to secure financing arrangements amounting to SEK 415,000,000 incurred by such condominium associations in connection with the acquisitions of properties from the Group. Should the relevant condominium associations not be able to fulfil their obligations to the lenders pursuant to the financing arrangements, there is a risk that the Company will have to fulfil the guarantee obligations, in part or in full, which would have a material adverse effect on the Group's business, financial position and result of operation.

Medium level risk

Risks relating to joint ventures

Since its incorporation, the Company has entered into several joint ventures with other real estate companies, such as Carlyle and Starwood Capital, for the purpose of developing Projects. The Company is dependent on an efficient cooperation with the partners of such joint ventures in order to provide for successful Projects. Should the Company not be able to partake in such joint ventures or, if the cooperation regarding a joint venture would prove to be unsuccessful, this could result in delays with respect to the finalisation of a Project, an impaired ability to procure the relevant financing of a Project which in turn could negatively affect the Company's ability finalise the Projects with a profit. Moreover, should a cooperation in any joint venture not develop in a positive way, this could result in disputes and the relevant joint venture being dissolved and subsequently the assets of that joint venture being realised on short notice and on unfavourable terms.

Furthermore, the Company does not have an independent influence over the conduct of the respective joint ventures' business or its cash flow. The risk of actions outside the Company's or the

joint investments' control and adverse to the Company's interests is inherent in jointly controlled entities. There is a risk that the Company's reputation may be damaged should any of the Group's joint investment partners pursue any misbehaviour or misconduct. Further, there is also a risk that the partners owning the joint investments may disagree on important matters, including the funding of the company. The risk with a joint investment is also that the Company assumes contractual and financial counterparty risk towards its joint investment partner as a joint investment partner may choose to not fulfil its obligations under the joint investment. A disagreement or deadlock regarding the joint investment or a breach by one of the parties of the material provisions of the cooperation arrangements could adversely affect the Company's earnings.

Medium level risk

Acquisitions, divestments and other transaction related risks

The Group will conduct additional acquisitions and divestments in the future. The Group have also historically acquired and divested properties and projects. Acquisitions are inherently associated with risks connected to the acquired property. For example, tenants may leave, the accounting of the acquired business may be deficient and/or the operations may be subject to unforeseen environmental or tax requirements. Furthermore, other circumstances which may affect the value negatively may materialise. The Group has, in connection with past disposals, rights to receive certain earn-out payments. Such rights of payment are subject to, and dependent on, factors outside of the Company's control such as the divestments of the projects, granting of building permits and the completion of certain undertakings of the relevant divested companies. There is a risk that such earn-out payments are not received by the Group in full or in part or that the value booked on the balance sheet of the Group for such earn-out payments is not possible to realise. Further, the Group has undertaken to make certain payments under a vendor loan note in relation to the acquisition of the Valerum group (the "**Valerum Vendor Note**"), where such payment obligations are triggered by receipt of earn-out payments for the projects Unité and Helix (instead of the Valerum Vendor Note being payable with SEK 100,000,000 on 30 September 2021 and SEK 100,000,000 on 31 December 2023). Moreover, the Valerum Vendor Note further includes a set-off right pursuant to which a Group Company is obliged to set-off any earn-out payments received under the share purchase agreement relating to the Nackahusen project towards repayment under the Valerum Vendor Note. In the event that the Group does not receive such projected earn-out payments, in full or in part, this could have an adverse effect on the Group's operations, earnings and financial position.

Acquisitions may also be connected with risks associated with the seller. If a seller is, or ends up in, financial distress, the possibility to be successful with warranty claims may be limited. In addition, such possibility may be limited in time. Should the above risks related to the seller materialise, it could negatively affect the Company's ability to receive compensation from the seller, which could have a negative effect on the Company's earnings.

Selling properties involves uncertainties regarding, *inter alia*, achieving a reasonable sales price for the properties. Further, the Group may be subject to claims resulting from the sale or the condition of the sold properties. If the Group is unable to sell its properties on favourable terms or if claims are directed at the Group, this may lead to delays in projects as well as increased and unexpected costs for the properties and transactions.

If one or several of the abovementioned factors develops negatively, it could have a material negative impact on the Company's ability to generate revenue and make value creating property investments or divestments and therefore negatively affect the Company's financial position.

Medium level risk

Operational and maintenance costs

Operational costs mainly consist of costs which are fare related, such as cost for electricity, cleaning, water and heating. Several of these goods and services can only be bought from a single operator on the market, which may affect the price. The operational costs are also subject to seasonal variations and weather conditions, such as prolonged colder periods resulting in increased costs for heating, as well as other similar unpredictable events entailing increased operational costs in relation to the Group's property portfolio.

Maintenance costs are attributable to measures required to maintain the standard of the property to be acquired in the long term or to modernise it. The maintenance costs are also subject to seasonal variations and weather conditions, such as unexpected heavy rainfall resulting in flooding and/or water damages as well as other similar unpredictable events entailing increased maintenance costs in relation to the property portfolio to be acquired and operated by the Group. Thus, there is a risk that Group will be subject to increased maintenance costs. Such expenses may, in order to comply with market, governmental or other legal requirements, be substantial and unexpected, and as a consequence have a material negative impact on the Group's net operating income, which is affected negatively if operational and maintenance costs are increased.

Low level risk

Macroeconomic and regional specific factors

The real estate business, and thus the business of the Group, is to a large extent affected by macroeconomic factors such as the general economic trend, regional economic development, employment rate development, production rate of new residential units and premises, changes of infrastructure, population growth, structure of the population, inflation, interest rates etc. The development of the economy affects the rate of employment, which is a material factor for supply and demand on the residential market and accordingly affects vacancy and rental rates, especially for commercial real estate. Expectations regarding the inflation affect the interest rate and therefore affect the Company's net financial income. The interest expense of debts to credit institutions is one of the Company's main cost items. In the long term, changes in the interest rate could have a significant effect on the Company's result and cash flow (please see the risk factor "*Interest rate risks*" below). The inflation also affects the Company's costs. In addition, changes in the interest rate and the inflation also affect the yield requirements and thus the market value of the properties owned by the Group. The Group's operations are mainly located in middle and southern parts of Sweden, and accordingly the Group's property holdings is especially risk exposed towards macroeconomic factors that affect those parts of the country.

Furthermore, the supply and demand regarding real estate, and accordingly the yield on real estate investments differ between different geographical markets and may develop differently within different geographical markets. The demand for real estate may decrease in this geographical market even if the demand does not decrease in the rest of the country. This may lead to increased vacancies, lower future rental rates and/or decreasing market values of the properties of the Group.

If one or several of these factors would develop negatively, the Company considers that it could have a significant negative impact on the Company's operations, earnings and financial position.

Low level risk

Coronavirus disease (COVID-19) risks

The 2019 novel coronavirus ("**COVID-19**") outbreak is currently having an indeterminable adverse impact on the world economy. COVID-19 was reportedly first discovered in Wuhan, Hubei Province, China, in 2019, and the World Health Organization declared COVID-19 a pandemic on 11 March 2020. The COVID-19 outbreak has become a widespread health crisis, which may in turn result in protracted volatility in international markets and/or result in a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains. In particular, in February to April 2020 the COVID-19 outbreak caused stock markets worldwide to lose significant value and impacted economic activity worldwide. The trading price of the Bonds may therefore be adversely affected by the economic uncertainty caused by COVID-19. There is further a risk that the Group's tenants' ability to pay rent will be adversely affected by the COVID-19 outbreak. There is also a risk that the COVID-19 outbreak could have a negative effect on the value of the properties owned by the Group. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations.

Moreover, due to COVID-19, there is a risk that the Group's tenants may choose not to enter into new lease agreements or renew existing lease agreements. There is also a risk that the global downturn could affect the liquidity position of existing tenants, which in turn may require such tenants to postpone rental payments or cause defaults under lease agreements. Accordingly, the COVID-19 crisis' impact on the Group's current and future tenants could lead to increased vacancies and a decrease in rental income for the Group, which would have a negative impact on the Group's operations, financial position and earnings.

Low level risk

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

Refinancing risk is the risk that financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the debt owed by the Company or any other Group company falls due and needs to be refinanced. The Group's business is partly financed by externally provided capital (please see the risk factor "*Financial covenants in loan agreements*" for further information). The majority of the capital required to finance future acquisitions by the Group and the development of the Group's existing properties is, and will be, provided by banks, credit institutions or other lenders. There is a risk that lenders will not extend credit to the Group when the loans mature, that there are no alternative credit facilities available or that credit will be provided at a significantly higher cost than as at present. If the Group cannot refinance its debt or is only able to do so at much higher costs, this would have a material adverse effect on the Group's earnings and financial position and would affect the Company's ability to refinance the obligations under the Bonds.

Moreover, certain projects of the Group demand ongoing financing on terms acceptable to the Group. The Group are bound by certain development agreements with various counties whereas the Group is responsible for the finalisation of certain measures which is to be completed within set time frames. These obligations are independent as to whether the Group is able to procure the

required financing in order to finalise the obligations imposed by the development agreements. Should the Group not be able to procure the necessary financing in order to finalise the projects, the Group could be obliged to pay fines and/or to pay for damages. As of the date of this Prospectus, such liabilities amount to approximately SEK 18,000,000. This could have a material adverse effect on the Group's earnings and financial position and would affect the Company's ability to refinance the obligations under the Bonds.

Low level risk

Rental income and the development of rents

The property portfolio of the Group accommodates a large number of tenants. The majority of the rental income derive from tenants that run a commercial business. Rental income for commercial properties is in the long term affected by, for example, supply and demand in the commercial property market. The economic occupancy rate, the agreed rent level and the tenant's ability to pay will affect the Company's rental income. If the economic occupancy rate or rent levels decline, for any reason, the Company's earnings will be adversely affected.

The risk of fluctuations in vacancies and loss of rental income increases with the more individual large tenants a property company has. The rental income from the ten largest tenants of the property portfolio corresponds to approximately 35 per cent. of the total projected rental value of the Group. As of the date of this Prospectus, the lease agreements of the Group had an average remaining duration of approximately 2.9 years. Currently, lease agreements representing 12 per cent. of the Group's consolidated rental income has a remaining duration of less than twelve (12) months. There is a risk that one or more of the Group's most important tenants do not renew or extend their lease agreements after expiration, or cannot fulfil their obligations pursuant to the lease agreements due to for instance bankruptcy, liquidation proceedings or other unexpected events, which may lead to a decrease in rental income and an increase in vacancies, unless the Group is able to receive corresponding rental income from new tenants.

Rent-level risk is attributable to trends in current market rents. A long-term negative development of the market rents may have a negative impact on the Group. In addition, the Group is dependent on that its tenants pay the rents on time, and it is thus exposed to the risk that the tenants do not fulfil their obligations, which could lead to decreased rental income. If any of the above described risks would materialise, it could have a negative impact on the Group's earnings, cashflow, liquidity position and financial position.

Low level risk

Insurance risks

The Group mainly holds the following types of insurance policies; real estate and property insurance, property owner's indemnity insurance, insurance for legal expenses, including cover for violation of applicable environmental laws and regulations as well as the Swedish Work Environment Act, business travel insurance and insurance for environmental and real estate remediation agreements. The Group also holds a directors liability insurance policy. The Group's insurance cover may be inadequate to compensate for damages related to the Group's real property or other assets. In particular, certain types of risks may be, or may become, impossible or too costly for the Group to insure. Should damages to the Group's real property occur, and

subsequently lead to tenants terminating or not renewing their leases, there is a risk that the Group's insurance does not cover such loss of rental income. If an uninsured damage would occur, or if the damage exceeds the insurance cover, the Company may lose the capital invested in the property as well as future income from the property. The Company may also be held responsible for repairing damages caused by uninsured risks. Further, the Company may be held responsible for liabilities and other financial obligations in relation to damaged real property. Consequently, there is a medium risk that the Company is subject to uninsured losses or losses exceeding its insurance cover, which could have a negative impact on the Company's operations, earnings and financial position.

Legal and regulatory risks

High level risk

Disputes and litigation

The Group is, and can further become, involved in disputes in relation to, *inter alia*, contracts both with condominium associations and contracted subcontractors. The Group Company Oscar Properties Bygg AB ("**OP Bygg**") are currently involved in disputes with several subcontractors which, according to the Company, have not delivered as per the commitments under agreements between the parties. Such disputes may be time consuming for the Group and could have a material adverse effect on the Group's earnings and financial position should a court rule in favour of the relevant subcontractors.

The Group (including OP Bygg) may further become involved in disputes and / or claims regarding defects in contracts and warranty commitments regarding various Projects. Such disputes and claims may result in unforeseeable costs which could have a material adverse effect on the Group's earnings and financial position.

The Group is currently party to an ongoing litigation matter with regard to the Group's Project Gasklockan, which contract was terminated by the counterparty, the City of Stockholm, due to a dispute relating to which party should bear the costs for the remediation of the land relating to the project. The Group has initiated proceedings in the District Court of Stockholm (Sw. *Stockholms tingsrätt*), claiming lost profits in connection with the termination of the contract. The case will be brought before the District Court of Stockholm in December 2021. In September 2020, the Land and Environment Court (Sw. *Mark- och miljöödomstolen*) rejected the building permit for the Project Biografen Penthouses at Norra Djurgården in Stockholm as a result of an adjacent park land had not been transferred from an association to the municipality. Should such litigation matters result in an unfavourable outcome for the Group, this could have a negative effect on the Group's earnings and financial position.

In recent years, disputes have arisen and the media have reported on, the validity of advance agreements (Sw. *förhandsavtal*) between buyers of condominiums and condominium associations. Such agreements are binding under the Tenancy Act (Sw. *bostadsrättslagen (1991:614)*), but in the disputes the buyers have argued that the time indications regarding the time of lease and/or access in the advance agreements are too vague and have as a result claimed the advance agreements invalid. Several judgments have been issued in the past year where courts have clarified the requirements for time indications in advance agreements. Should a court determine that such

advance agreements are invalid this could have an adverse effect on the Group's earnings and financial position.

Medium level risk

Changes in tax laws

Changes in legislation regarding company and property taxation, VAT, as well as other tax rules, government charges, contributions and subsidies, may affect the conditions for the Group's business activities. Since these rules have historically been subject to frequent changes, further changes are expected in the future, potentially with retroactive effect. Such changes may have a significant negative effect on the Group's earnings and financial position.

For example, as of 1 January 2019, a general limitation of interest deductions in the corporate sector was introduced by way of an EBITDA-rule. Under the EBITDA-rule, net interest expenses, i.e. the difference between the taxpayer's interest income and deductible interest expenses, is only deductible up to 30 per cent. of the taxpayer's EBITDA for tax purposes. The interest deductibility limitation is applied for each legal entity separately, even though there are certain possibilities to consolidate within a group, and accordingly the rules apply to all Swedish entities within the Group. In connection with the changes in the interest deduction rules, the corporate tax rate was reduced from 22 per cent. to 21.4 per cent. and it will be further reduced in a second step from 21.4 per cent. to 20.6 per cent. (as of 1 January 2021). If the Swedish entities within the Group's net interest expenses represent a substantial portion in relation to their tax EBITDA, the Group's tax burden could, despite of the lowering of the corporate income tax rate, increase which would have a medium negative impact on the Group's operations, earnings and financial position.

Also, on 30 March 2017, a committee appointed by the Swedish government presented a law proposal that, if enacted, is likely to affect the future taxation of real estate investments. The proposal includes, *inter alia*, that the deferred tax liability related to the difference between tax residual value and market value on properties will be triggered upon a change of control of a real estate owning company and that such a change of control should also trigger a taxable notional income in the real estate owning company (to compensate for the fact that indirect sales of properties are not subject to stamp duty). The Swedish government has communicated that the law proposal is subject to further review and it is currently unclear if, and to what extent, the proposal will result in new legislation. If the proposal is enacted, there is a high risk that it could have a negative effect on the tax burden of the Group and therefore negatively affect its operations, earnings and financial position.

Low level risk

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 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. 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 negative impact on the Group's operations, earnings and financial position, which may impact the Company's ability to repay the Bonds.

Low level risk

Environmental risks and requirements

Acquiring properties and operating properties, entail the risk of acquiring contaminated properties or causing contamination as part of the operations. Further, the Group is exposed to the risk of contamination as part of the Group's own development projects or operation of the Group's commercial properties. 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 former, bears the responsibility. According to the Environmental Code (Sw. *Miljöbalken*), a person who has contributed to pollution has a responsibility for remediation. If the operator is unable to perform or defray post-treatment of a property, the party who acquired the property, and who at the time of the acquisition knew of or should have detected the pollution is to assume responsibility. This means that claims under certain circumstances may be directed at the Group for land remediation or post-treatment in the event of an occurrence or suspicion of contamination of land, catchment area or ground water for the purpose of returning the property to the condition required according to the Environmental Code. It cannot be ruled out that current or previously operated activities on the properties could incur environmental risks which would materially affect the Group negatively and result in difficulties to divest such property. Thus, there is a risk that the Group would be imposed to pay for cleaning-up or after treatment, which could result in increased costs and therefore have a material adverse impact on the Group's earnings and financial position.

Risks related to the Company's financial situation

Medium level risk

Interest rate risks

Interest rate risk refers to the risk of changes in the capital market that may affect the interest rate conditions and thus borrowing costs for the Group. Interest rate risk is expressed as the cost change for the interest-bearing liabilities, expressed in SEK. The Group's interest-bearing liabilities is estimated to be in an amount of approximately SEK 3,172,500,000 including the Group's bank financing. If the interest rates on the Group's loans were to be increased by one per cent., the Group's interest expenses would increase by SEK 31,725,000 on an annual basis, albeit with a certain delay due to fixed interest periods. Since the majority of the Group's operations relate to

leasing of commercial spaces in accordance with signed agreements it may cause difficulties for the Group to increase revenues to compensate for higher interest costs. A higher interest expense also risks having an effect on profitability, which can negatively affect both the Group's liquidity and interest coverage ratio. Consequently, this could lead to the Group having less opportunities to pay interest and amortisation, and there is a risk of the Group breaching the bond terms. Breach of financial conditions or covenants in the bond terms may lead to early repayment of the Bonds, and may force the Group to sell the future properties. If the prevailing interest rate levels were to change in a negative way for the Group, it could have a material adverse effect on the Group's operating income, balance sheet and cash flow.

Low level risk

Liquidity risks

Liquidity risk refers to the risk that the Company does not have cash or credit facilities to cover their payment commitments, including interest payments, without the cost of obtaining cash increasing significantly. The Company's liquidity mainly derives from rental payments, and if rents are not paid when due there is a risk that the Company's liquidity sources prove to be insufficient, which would have a material negative impact on the Company's financial position and its ability to fulfil its obligations under the Bonds.

Low level risk

Credits risks

The Company carries a credit risk that its counterparties cannot fulfil their obligations *vis-à-vis* the Company. In addition to the Group's tenants, such counterparties may exist in connection with placement of excess liquidity, interest swap arrangements, issuing of buyer promissory notes and short term and long term credit facility arrangements. If the Company cannot successfully mitigate its credit risk or if its counterparties cannot fulfil their obligations towards the Group this could negatively affect the Company's liquidity and therefore increase the Group's need for financing. There is a risk that the Group's counterparties cannot fulfil their financial obligations *vis-a-vis* the Company, which could have a negative impact on the Company's earnings and financial position.

Low level risk

Financial covenants in loan agreements

The Group's indebtedness primarily consists of the issued Bonds and bank loans in an aggregate amount of approximately SEK 3,104,549,677 as the date of this Prospectus. If any member of the Group is in breach of any of its covenants (e.g. financial covenants such as, *inter alia*, maintenance covenants) in its financing arrangements or terms and conditions of debt instruments, it could lead to loans or debt instruments being accelerated, leading to immediate repayment or the creditor taking possession of security. Further, certain loan agreements and terms and conditions of debt instruments contain cross-default provisions which could trigger the acceleration of other payment obligations within the Group. A breach of any covenant would have a material adverse effect on the Group's operations, earnings and financial position.

Low level risk

Financial reporting

The Company's operations are affected by the accounting rules that are applied from time to time in Sweden, including, for example, IFRS and other international accounting rules. This means that the Group's and/or its associated companies' accounting, financial reporting and internal control in the future may be affected by changed accounting rules or that the Group may need to change the application of such accounting rules.

As of 1 January 2019, the Group started applying IFRS16 Leasing which entails changes primarily regarding the lessee's valuation of leasing agreements. Following the introduction of IFRS16, the Group's operating profit has been charged with a depreciation of usufruct rights and net financial items with an interest expense, resulting in that the Group's operating profit has been positively affected while net financial items have been negatively affected.

As of 1 January 2020, the Company started applying a new principle for reporting on housing development projects through condominium associations. The financial reports are now adapted to comply with the assessment made by the Swedish Financial Authority (Sw. *Finansinspektionen*) of IFRS 10 Consolidated Financial Statements, which means that condominium associations are consolidated in the Company's accounts. The changed accounting principle results that the projects are reported in the balance sheet as ongoing work and as interest-bearing current liabilities and further means that income and thus results for housing development, through condominium associations, are reported at a certain time in connection with the Company fulfilling its performance commitment. Previously applied accounting principles instead resulted in that revenues and expenses were reported over time in step with the project's degree of completion through a successive profit recognition. The effect on the Company's financial reporting of the changed accounting principle is limited, with a slightly lower equity ratio as a result.

The Company and the Group's ability to apply, comply and adapt to amendments to accounting principles is important for the operations of the Company and the Group. Should the Company not be able to comply and adapt to amendments and updates to the applied accounting principles, this could have a negative effect on the Group's operations, earnings and financial position.

Risks relating to the Bonds

Financial risks and risks relating to transaction security

Low level risk

The Bonds carry credit risks

An investment in the Bonds carries a credit risk relating to the Company and the Group. The investor's ability to receive payment under the terms and conditions Bonds is therefore dependent upon the Company's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's operations and financial position are in turn affected by several factors, a number of which have been discussed above. An increased credit risk is likely to cause the market to charge the Bonds a higher risk premium which would have an adverse effect on the market value of the Bonds. Another aspect of the credit risk is that any deterioration in the financial position of the Company may entail a lower credit-worthiness and the possibility for the Company to receive financing at the maturity of the

Bonds may be impaired. There is a risk that the Group's financial position and the market value of the Bonds is affected by aforementioned factors, some of which are outside of the Group's control.

Low level risk

Ability to service debt under the Bonds

The Company's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which have been discussed above, or which are outside of the Group's control. It should be noted that, according to the terms and conditions for the Bonds, as long as the Bonds are outstanding, the Group's Interest Coverage Ratio must be 1.50 or greater, the Loan to Value may not exceed 75/70/65 per cent. and the Equity Ratio may not be lower than 25 per cent. (each as defined in the terms and conditions for the Bonds).

It is uncertain whether the Group's operating income will be sufficient to service its current or future indebtedness. If the Group's operating income will not be sufficient to service its current or future indebtedness, there is a risk that the Group will be forced to take actions such as reducing or delaying its business activities, make acquisitions, investments or capital expenditures, sell assets, or restructure or refinance its debt and/or seek additional equity capital, and that the Group will not be able to affect any of these remedies on satisfactory terms, or at all.

Low level risk

Dependence on subsidiaries to make payments under the Bonds

A significant part of the Group's assets and revenues will relate to the Company's wholly-owned subsidiaries and to joint ventures with various partners. Accordingly, the Company will be dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to enable it to make payments under the Bonds. The Company's subsidiaries and joint ventures will be legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Company's subsidiaries and/or joint ventures to make such payments to the Company is subject to, among other things, the availability of funds. Should the Company not receive sufficient income from its subsidiaries and/or joint ventures, the Company's ability to make payments under the terms and conditions for the Bonds would be adversely affected.

Low level risk

The Bonds are structurally subordinated in the event of insolvency of subsidiaries

All assets will be owned by, and all revenues will be generated in, the subsidiaries of the Company. The subsidiaries will be legally distinct from the Company and have no obligation to make payments to the Company of any profits generated from their business. The ability of the subsidiaries to make payments to the Company is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers).

If the Company is not able to receive funds by way of dividends or value transfer from one or more subsidiary, this could affect the Company's ability to service its payment obligations under the Bonds which poses a risk and would have a material adverse effect on the Company's business, financial position, earnings and result.

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 Company may result in the obligation of the Company to make payments under guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

Low level risk

Risks relating to the Bonds being unsecured and security over assets granted to third parties

The Bonds represents unsecured obligations of the Company. If the Company is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, all of the Company's secured obligations must first be satisfied, potentially leaving little or no remaining assets in the Company for the bondholders. As a result, the bondholders may not recover any or full value.

Subject to certain limitations from time to time, the Company has and may incur additional financial indebtedness and provide additional security and guarantees for such indebtedness. As security has been granted in favour of third-party debt providers, and may be provided to additional debt providers, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Company, 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 financial position, and the rights of the bondholders to receive payments under the Bonds.

Risks relating to the value of the Bonds and the bond market

Low level risk

Risk related to the Bonds floating rate structure

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest rate. The market interest may be subject to significant fluctuations. The degree to which such interest rates may vary is uncertain and presents a medium risk to the value of the Bonds. Investments in Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates or interest rate expectations. The Bonds have a floating rate structure based on STIBOR (3 months) plus a fixed margin *per annum*. Thus, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is therefore outside the Group's control.

Further, the process for determining STIBOR is subject to a relatively new EU-regulation; the Benchmark Regulation (Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds) (the "BMR"). The BMR regulates the provision of benchmarks, such as STIBOR, the contribution of input data to benchmarks and the use of benchmarks within the EU. The effects of the BMR cannot be fully assessed. Although the effects are currently uncertain, the Group considers that there is a risk that the BMR may affect the determination and development of STIBOR which, in turn, could lead to an increased volatility in relation to STIBOR, and thus, in relation to the interest rate of the Bonds. In addition, the increased administrative requirements and the associated regulatory risks may decrease the willingness of some parties to participate in the determination of interest rate benchmarks such as STIBOR and/or may result in certain interest rate benchmarks will cease to be published. If this is the case for STIBOR, and e.g. the relevant fall-back solution evident from the terms and conditions for the Bonds should not work properly or negatively for either or both of the Company or the bondholders, this may e.g. lead to difficulties with determining and calculating interest which in turn could lead to costly and time consuming discussions (and maybe even disputes) in respect of the matter, which in each case could have an adverse effect on the Bonds, the Company and/or the bondholders.

Low level risk

Risks relating to the listing and the liquidity, including the market value of the Bonds

The Company has undertaken to ensure that the Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another regulated market, within twelve (12) months after the issue date of the Bonds. Further, each bondholder has a put option in relation to its Bonds if the Bonds are not listed within sixty (60) days after the issue date of the Bonds. Further, even if securities, including the Bonds, are admitted to trading on a regulated market, there is not always active trading in the securities. In general, trading volumes may be low in respect of securities, such as the Bonds, with a nominal value of SEK 1,250,000. Thus, there is a risk that there will not be a liquid market for trading in the Bonds or that this market will be maintained even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds.

Furthermore, the market value of the Bonds could be subject to significant fluctuations in response to 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, some of which have been discussed. 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 value of the Bonds without regard to the Group's operating results, financial position or prospects. In addition, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading on Nasdaq Stockholm or another regulated market. Thus, there is a risk that the market value of the Bonds will be affected by any of the foregoing factors, if they were to materialise.

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

Risks relating to certain limitations of the bondholders' rights

Low level risk

Risks related to early redemption and put options of the Bonds

As stipulated in the terms and conditions for the Bonds, the Company has reserved the possibility to redeem all outstanding Bonds on any business day falling on or after the date falling 18 months before the final redemption date. If the Bonds are redeemed before the final redemption date, the bondholders have the right to receive an amount equal to the applicable call option amount (together with accrued but unpaid interest). However, there is a risk that the market value of the Bonds, at the time of the redemption, is higher than the redemption amount and/or that it may not be possible for bondholders to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds and will only be able to do so at a significantly lower rate. It is also a risk, in the event of redemption by issuance of a new market loan, that any bondholder is not able to reinvest the redemption proceeds in the new market loan since such new market loan is subject to the Company's discretionary allocation.

According to the terms and conditions for the Bonds, the Bonds are subject to repurchase at the option of each bondholder (put options) upon a Change of Control Event, a Listing Failure Event or Delisting (as defined in the terms and conditions for the Bonds). Furthermore, the Bonds are subject to repurchase at the option of each bondholder (put option) upon the occurrence of an Event of Default. There is, however, a medium risk that the Company will not have sufficient funds at the time of such repurchase to make the required repurchase of the Bonds which could adversely affect the Company and thus all bondholders and not only those that choose to exercise the option.

Risks related to the Bondholders' representation

Low level risk

No action against the Company and bondholders' representation

In accordance with 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 actions on their own against the Company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Company and may therefore lack effective 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, could bring its own action against the Company (in breach of the terms and conditions for the Bonds), which could negatively impact an acceleration of the Bonds or other action against the Company.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could have a negative effect on the legal proceedings as for instance the requisite quorum or majority for taking such legal proceedings may not be obtained.

The Agent may further be replaced by a successor Agent in accordance with the terms and conditions for the Bonds. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Further, there is a risk that the successor Agent would breach its obligations under the terms and conditions for the Bonds or that insolvency proceedings would be initiated against it.

Under certain circumstances the Agent, from time to time, may be exposed to the low risk of insolvency or other proceedings that could affect the performance of its duties as the Agent.

Low level risk

Bondholders' meetings

The terms and conditions for the Bonds include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The terms and conditions for the Bonds allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently from the required majority at a duly convened and conducted bondholders' meeting. A bondholder may, for instance, be bound by a majority's decision to accept a change of the interest rate, decision to accept a change of the final maturity date or decision to accept a change of the transaction security and/or guarantees. Consequently, there is a risk that the actions of the majority in such matters will impact certain bondholders' rights in a manner that is undesirable for some of the bondholders.

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.

Unless otherwise specifically defined in this section *The Bonds in Brief*, a defined term or reference to a clause shall have the meaning ascribed to such term or refer to such applicable clause in the Terms and Conditions.

Issuer	Oscar Properties Holding AB (publ)
Bonds Offered	At the date of this Prospectus, an aggregate amount of Bonds of SEK 550,000,000 had been issued on the First Issue Date. The aggregate amount of the bond loan will be an amount of up to a maximum of SEK 1,000,000,000. The Issuer has chosen 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.
Number of Bonds	Maximum of 800 Bonds. At the date of this Prospectus 440 Bonds had been issued on the First Issue Date.
ISIN	SE0016275143
First Issue Date	5 July 2021.
Issue Price	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.
Interest Rates	Interest on the Bonds will be paid at a floating rate of three-month STIBOR plus 7.25 per cent. <i>per annum</i> . If STIBOR is below zero (0), STIBOR will be deemed to be zero (0).
Use of benchmark	Interest payable on the Bonds will be calculated by reference to STIBOR. STIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the " Benchmark Regulation "). As at the date of this Prospectus, the administrator of STIBOR (being the Swedish Financial Benchmark Facility) is not included in the European Securities and Markets Authority's (" ESMA ") register of administrators under Article 36 of the Benchmark Regulation.
Interest Payment Dates	5 January, 5 April, 5 July and 5 October of each year commencing on 5 October 2021. Interest will accrue from (but excluding) the First Issue Date.
First Call Date	Means the date falling 24 months after the First Issue Date.
Final Maturity Date	Means 5 July 2024.
Nominal Amount	The Bonds will have a nominal amount of SEK 1,250,000 and the minimum permissible investment in the Bonds is SEK 1,250,000.
Status of the Bonds	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, 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) any time from and including the First Issue Date to, but excluding, the first Business Day falling 24 months after the First Issue Date at an amount per Bond equal to 103.625 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c) of the Terms and Conditions, up to, but excluding, the first Business Day falling 24 months after the First Issue Date, together with accrued but unpaid Interest;
- (b) any time from and including the first Business Day falling 24 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 103.625 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (c) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the first Business Day falling 33 months after the First Issue Date at an amount per Bond equal to 101.8125 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- (d) any time from and including the first Business Day falling 33 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.90625 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

Redemption Clauses

Upon the occurrence of a Change of Control Event, Listing Failure Event and/or Delisting each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased in accordance with Clause 9.4 (*Mandatory repurchase due to a Change of Control Event, Listing Failure Event and Delisting (put option)*) of the Terms and Conditions.

Change of Control Event

Means the occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 30 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer.

Listing Failure Event

Means:

- (a) that the Initial Bonds have not been admitted to listing on Nasdaq Stockholm (or another Regulated Market) within sixty (60) days after the First Issue Date (provided that the Issuer has an intention to list the Initial Bonds within thirty (30) days after the First Issue Date); or
- (b) any Subsequent Bonds have not been admitted to listing on Nasdaq Stockholm (or another Regulated Market) within sixty (60) days after the issuance of such Subsequent Bonds (provided that the Issuer has an intention to list any Subsequent Bonds within thirty (30) days after the issuance of such Subsequent Bonds) unless the Subsequent Bonds are issued before the date when the Initial Bonds are listed in which case such Subsequent Bonds shall be listed together with the Initial Bonds.

Delisting

Means:

- (i) the delisting of the shares in the Issuer from a Regulated Market or (ii) trading in the ordinary shares of the Issuer on the relevant Regulated Market is suspended for a period of fifteen (15) consecutive Business Days (when that Regulated Market is at the same time open for trading).

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 Issuer granting of security on Market Loans (as defined in the Terms and Conditions);
- restrictions on the incurrence of the Issuer issuing Market Loans; and
- limitations on the making of distributions and disposal of assets.

Maintenance covenant

The Issuer shall ensure that:

- (a) the Interest Coverage Ratio is
 - (i) for the period from the First Issue Date to (but excluding) the date falling 18 months after the First Issue Date, more than 1.25:1; and
 - (ii) for the period from the date falling 18 months after the First Issue Date to (and including) the Final Maturity Date, more than 1.50:1.
- (b) the Equity Ratio is:
 - (i) for the period from the First Issue Date to (but excluding) the date falling 18 months after the First Issue Date, more than 25%;
 - (ii) for the period from the date falling 18 months after the First Issue Date to (but excluding) the date falling 30 months after the First Issue Date, more than 27.50%; and
 - (iii) for the period from the date falling 30 months after the First Issue Date to (and including) the Final Maturity Date, more than 30%.
- (c) the Loan to Value is:
 - (i) for the period from the First Issue Date to (but excluding) the date falling 18 months after the First Issue Date, not greater than 75%;
 - (ii) for the period from the date falling 18 months after the First Issue Date to (but excluding) the date falling 30 months after the First Issue Date, not greater than 70%; and
 - (iii) for the period from the date falling 30 months after the First Issue Date to (and including) the Final Maturity Date, not greater than 65%.

Incurrence Test

The Incurrence Test is met if:

- (a) the Equity Ratio is more than 30%;
- (b) the Loan to Value is not greater than 65%; and
- (c) no Event of Default is continuing or would occur from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the incurrence of Financial Indebtedness or distribution (as applicable).

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

Use of Proceeds

- (a) The proceeds from the Initial Bond Issue shall be used to:
 - (i) refinance the Refinancing Debt;
 - (ii) finance general corporate purposes, including investments and acquisitions; and
 - (iii) finance Transaction Costs.
- (b) The proceeds from any Subsequent Bond Issue shall be used to:

- (i) finance general corporate purposes, including investments and acquisitions; and
- (ii) finance Transaction Costs.

The Net Proceeds from the Bond Issue were in an approximate amount of SEK 540,000,000.

Transfer Restrictions

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.

Listing

Application has been made to list the 440 Bonds, issued on the First Issue Date, on Nasdaq Stockholm. The earliest date for admitting the 440 Bonds to trading on Nasdaq Stockholm is on or about 26 August 2021.

Agent

Intertrust (Sweden) AB.

Issuing Agent

DNB Markets, a part of DNB Bank ASA, Sweden Branch.

Governing Law of the Bonds

Swedish law.

Risk Factors

Investing in the Bonds involves substantial risks and prospective investors should refer to the section "*Risk Factors*" 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 14 June 2021, and was subsequently issued by the Issuer on 5 July 2021. 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 Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council.

After the expiration date of this Prospectus, being 26 August 2022, the obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the prospectus is no longer valid.

The board of directors of the Company is, to the extent provided by law, responsible for the information set out in this Prospectus and declares that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

26 August 2021

Oscar Properties Holding 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.

Up to SEK 710,000,000 senior secured floating rate bonds

An indirect subsidiary of the Issuer, Issuer Valerum AB, has on 30 October 2020 issued senior secured bonds in an amount of SEK 710,000,000 with ISIN SE0015192190. The bonds bear a floating interest of STIBOR 3 months plus 4.00 per cent. *per annum* and matures on 30 April 2023.

Up to SEK 175,000,000 junior unsecured callable fixed rate perpetual bonds

An indirect subsidiary of the Issuer, Uppfinnaren 1 AB (publ), has on 7 July 2015 issued junior unsecured perpetual bonds in an amount of SEK 175,000,000 with ISIN SE0007278262. The bonds bear a fixed rate of 10.00 per cent. *per annum*.

Bond loan issued by the Company

On 3 September 2014 the Company issued a bond loan (ISIN: SE0005936390) (the "**2014 Bonds**") with a maximum amount of SEK 500,000,000 that were originally due on 3 September 2019 but which in May 2019, together with some other amendments, was extended to September 2021 through a written procedure. In December 2019, the Company repaid SEK 112.5 million on 2014 Bonds as part of the amendment of the terms and conditions of the bond. On 2 November 2020, the Company and the bondholders agreed on further amendments to the terms and conditions of the 2014 Bonds, *inter alia*, an extension of the final maturity date to 3 September 2023 and reduction of the interest rate to STIBOR 3 months plus 5.5 per cent. Furthermore, the Company's subsidiary Valerum AB (publ) was granted permission to raise short term market loans to finance the Company's acquisition of Valerum AB (publ) and the redemption price for the 2014 Bonds was changed to 102 per cent. of the nominal amount up to and including 3 September 2021, with a subsequent annual increase of 2 per cent., to a maximum of 106 per cent. in the last extension year. The amendment of the terms and conditions of the 2014 Bonds was conditional on the acquisition of Valerum AB (publ) being completed, which took place on 30 December 2020.

On 3 December 2020, the Company announced that the Company in a number of transactions repurchased bonds to a nominal amount of SEK 52,896,168. The average repurchase price for the bonds corresponded to 35 per cent. of the nominal amount of the bonds, namely SEK 18,493,087. Furthermore, the Company has repurchased additional bonds at a nominal amount of SEK 1,469,338.

The Company may not pay any dividend or resolve on other payments or value transfers before the maturity date of the bond loan in September 2023. As of the date of this Prospectus, the net amount for the 2014 Bonds amounts to SEK 255.7 million.

Description of the Group

History and development

General

Oscar Properties Holding AB (publ)'s country of incorporation is Sweden and was incorporated on 17 October 2011. The Company is a public limited liability company operating under the laws of Sweden, registered with the Companies Registration Office with reg. no. 556870-4521 and its legal entity identifier (LEI) code is 549300NZI620CFL1TR88. Oscar Properties is the commercial name used collectively by all of the Group's projects (including the Company).

The registered office of the Company is Box 5123, 102 43, Stockholm, Sweden and the Company's headquarters is located at Linnégatan 2, 102 43 Stockholm, Sweden, with telephone number +46 (0) 8 510 607 70. The website of the Company is oscarproperties.com. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

In accordance with the articles of association of the Company, adopted on 18 May 2021, the objects of the Company are to directly or indirectly, own and manage movable property, and to acquire, own, manage, develop and sell real estate and to conduct operations compatible therewith.

Business and operations

The Company currently has two business areas, property management and property development. The Company, which was founded by Oscar Engelbert in 2004, has historically had a focus on the development of unique homes, primarily in the Stockholm region, where the Company has had an attractive project portfolio. In order to realise the full value of the project portfolio, the Company identified a need to supplement the development operations with its own portfolio of investment properties in order to secure a stable and predictable source of revenue for the Company. Therefore, the Company has since 2020 acquired approximately 80 properties around Sweden to a value of about SEK 4.5 billion. The acquisitions contribute to creating a company with stable cash flows and a solid financial position. The Company's current structure with stable cash flows enables value-creating acquisitions and further development projects.

Business model and market overview

The Company's business model is based on combining property management that contributes with stable cash flows with value-adding acquisitions and development projects. Future development projects will primarily be implemented in a joint-venture structure with financially strong partners, which will provide the Company with greater potential to focus on its core expertise: design, marketing and sales. The purpose of partnerships through associated companies is to contribute to efficient capital utilisation and effective commercial flows, to limit risks and to generate benefits of scale. Construction risks are minimised through construction contracts with stable and experienced suppliers. When broken down, the business strategy includes the following components:

- Develop the investment portfolio to guarantee a cash flow that supports project development activities over the long term.

- Continuously implement complementary acquisitions, within both property management and project operations.

An important parameter in the Company's strategy is to capitalise on its extensive experience of property development projects and the property market in general, and on the large network of contacts that it has thus accumulated. This market know-how enables the Company to develop unique residences based on modern design and architecture and to identify potential acquisitions for both development and property management operations.

The Company's project portfolio is located in the Greater Stockholm area and in selected locations in other municipalities in Sweden. The project portfolio consists partly of buildings, with potential to be converted into housing, partly of properties with existing or planned building rights for new production and partly of properties with commercial development opportunities.

Property portfolio

As of 31 March 2021, the Group's property portfolio consisted of 38 properties primarily in Southern Sweden. The underlying property value for the portfolio amounted to SEK 1,753 million and the lettable area is 144,905 square meters, which is estimated to generate an operating net of approximately SEK 90 million per year. The property portfolio is well diversified and consists mainly of premises such as offices, retail, light industry and warehouses, hotels and homes.

On 22 April 2021, the Company announced that it will acquire five properties in Skåne with an underlying value of SEK 110 million from Sven-Olof Johansson's company, Compactor Fastigheter AB.

On 23 April 2021, the Company announced that it will acquire 16 properties from Kvalitena AB (publ) with an underlying property value of SEK 930 million.

On 12 May 2021, the Company announced that it will acquire four properties in Köping with elements of housing from Sterner Stenhus Holding AB, with an underlying property value of approximately SEK 119 million.

On 19 May 2021, the Company announced that it will acquire three commercial properties located in Gothenburg with an underlying property value of SEK 77 million.

On 28 June 2021, the Company announced that it will acquire two properties in Värnamo for a purchase price of approximately SEK 36.5 million.

Project portfolio

As of 31 March 2021, the Group's project portfolio is mainly located in the Stockholm region. During the first quarter of 2021, the Company acquired building rights in Sundsvall, where homes will be designed and built. The Group runs two projects under its own production: Unité Norra Djurgårdsstaden and Norrterna Sundsvall. The Group conducts and finances four projects within the framework of joint ventures: Helix Norra Tornen, Primus Park Essingen Stockholm, Samterna Karlskrona and Kraus Bergshamra.

Byggmax, Höganäs

During the first quarter of 2021, a building permit was obtained to build a building material retail for ByggMax in Höganäs. A lease agreement with a 10-year term has been signed with ByggMax.

Primus Park

The property is being converted into a retirement home and housing. The project is funded together with a joint venture partner. The plan is to expand the block or to renovate existing premises. The project is divided into three stages.

Unité

The project consists of 46 apartments. The first apartments were ready to move into in December 2020 and the project will be completed in June 2021.

Samterna, Karlskrona

The first project, Skogsglantan, is located in Gullberna Park in Karlskrona and comprises of 80 apartments. In the northern part of Gullberna Park the second project, Skogsbacken, that comprises of approximately 90 apartments is being built.

Norrterna, Sundsvall

Norrterna has acquired building rights for 3 properties on Norra Kajen in central Sundsvall that comprises of 200 apartments. The first block which comprises of 31 rental apartments has a planned production start during the first quarter of 2022.

Share capital and ownership structure

The shares of the Company are denominated in SEK. The ordinary shares carry one vote each and the preferential shares and preferential shares of series B carry one tenth vote each. As of the date of this Prospectus, the Company had an issued share capital of SEK 590,639,625.874857 divided into 80,619,829 ordinary shares, 44,688 preferential shares and 2,692 preferential shares of series B. The Company has issued a total of 80,667,209 shares.

The following table sets forth the ownership structure in the Company as per 31 July 2021, with subsequent changes known to the Company.

<i>Shareholder</i>	<i>No. of ordinary shares</i>	<i>No. of preferential shares</i>	<i>No. of preferential shares of series B</i>	<i>Share capital</i>	<i>Voting Rights</i>
Oscar Engelbert	9,676,516	0	0	12.0 %	12.0 %
Avanza Pension	7,955,203	2,214	9	9.9 %	9.9 %
Kvalitena AB (publ)	8,460,443	0	0	10.5 %	10.5 %
Investment AB Öresund	5,861,498	0	0	7.3 %	7.3 %
Peter Eriksson	4,303,388	0	0	5.3 %	5.3 %
Swedbank Försäkring	2,151,819	193	5	2.7 %	2.7 %
Kusinhus AB	1,950,000	0	0	2.4 %	2.4 %
Joakim Svensson	1,333,593	0	0	1.7 %	1.7 %
Jakob Johansson	1,094,748	0	0	1.4 %	1.4 %

Erik Paulsson & Bolag	1,015,413	0	0	1.3 %	1.3 %
Dan Hägerbring	1,000,000	0	0	1.2 %	1.2 %
Lectoria AB	980,000	0	0	1.2 %	1.2 %
Björn Andersson Dbo	687,344	0	0	0.9 %	0.9 %
Futur Pension	646,894	1,387	1	0.8 %	0.8 %
Handelsbolaget Solna Haga 4:28	639,000	0	0	0.8 %	0.8 %
Other	32,863,970	40,894	2,677	40.8 %	40.8 %
Total	80,619,829	44,688	2,692	100.0 %	100.0 %

Board of directors and management shareholders

The following members of the board of directors and management of the Company have shareholdings in the Company:

- Peter Norman, Chair of the board of directors. Shareholdings in the Company: 4,231 ordinary shares.
- Oscar Engelbert, Member of the board of directors and CEO. Shareholdings in the Company: 9,676,516 ordinary shares (through a company).
- Douglas Roos, Member of the board of directors. Shareholdings in the Company: 374,000 ordinary shares (through related parties).
- Ulf Nilsson, Member of the board of directors. Shareholdings in the Company: 366,000 ordinary shares.
- Per-Axel Sundström, CFO. Shareholdings in the Company: 330,000 ordinary shares.

Shareholders' agreements

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

Overview of Group structure

On the date of this Prospectus, the Issuer has, directly and indirectly, 134 wholly-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.

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, trend information and financial performance

There has been no material adverse change in the prospects of the Group since the date of its last audited annual accounts.

Since the end of the last financial period for which audited financial information has been published to the date of this Prospectus, the following significant changes in the financial or trading position of the Group has occurred:

On 18 March 2021, the Company resolved to carry out a directed share issue of approximately SEK 38 million to Investment AB Öresund, corresponding to 10 per cent. of the total number of ordinary shares in the Company existing at the time.

In April 2021, the Company decided and carried out a rights issue of approximately SEK 150 million. Furthermore, on 30 April 2021 the Company carried out a directed share issue of SEK 117.4 million to the sellers of certain real estates the Company acquired. In connection therewith, the Company raised new loans amounting to SEK 973 million.

In addition to what is described in this section, as of the date of this Prospectus, there are no known trends, uncertainties or other requirements, commitments or events that may be expected to have a significant impact on the Company's business prospects during the current financial year and there has been no material adverse change in the Group's financial performance since the end of the last financial period for which audited financial information has been published to the date of this Prospectus.

Legal, governmental and arbitration proceedings

The Group is, from time to time, involved in legal disputes related to its day-to-day business. Such disputes may concern, *inter alia*, the recovery of claims, guarantee commitments relating to housing, the completion of housing purchases or deficiencies in relation to construction. The Company's assessment is that these disputes form a natural part of day-to-day operations and seen individually the disputes are not considered to be of any material nature. However, if the Company would lose all or the majority of the disputes the Company from time to time are involved in, it might have a material negative impact on the Company's financial position, results and activities.

The Company has overdue accounts payable at the Swedish Enforcement Agency (Sw. *Kronofogden*) amounting to a total of SEK 15.6 million as of 14 June 2021. All accounts payable relate to cases where the Swedish Enforcement Agency has initiated an investigation and sent an order for payment to the Company but have not yet made a final decision and determined the debt. The majority of these accounts payable have been contested by the Company.

Disputes with cooperation housing associations

The Company has been notified that three separate cooperation housing associations (Sw. *bostadsrättsföreningar*) may make claims against the Company in connection with complaints and deficiencies in relation to performed construction work. The Company estimates that the costs of rectifying these remarks and deficiencies amount to approximately SEK 50 million. In turn, the Company has a right of recourse for these claims against subcontractors and has made claims for remedies against the subcontractors. No legal proceedings have been initiated as of the date of the Prospectus, nor have any formal claims for compensation been made by the cooperation housing

associations against the Company. Should formal claims be made, there is a risk that the Company will not be able to receive full compensation from the subcontractors. In such a situation the Company may have to reimburse the cooperation housing associations without the possibility of cost recovery. In the event that the claims are not covered by an insurance, they could have a material negative impact on the Company's financial position, results and operations.

Gasklockan

The Company were supposed to access the property in project Gasklockan on 31 October 2019. Due to the property not being compliant with environmental quality requirements the Company did not access the property as planned. The City of Stockholm has terminated the agreement, but the Company has contacted the City of Stockholm in order to find an acceptable solution to enable the Company to complete the project, which has been the Company's intention throughout. The Company considers the termination to be unfounded and constituting a material breach of the contract, resulting in a liability for the City of Stockholm to reimburse the Company for its damages, provided that the agreement is considered valid, since the City of Stockholm has not completed the land parcelling within the set time limit. After repeated attempts to reach an agreement with the City of Stockholm, the Company concluded that there is no such ambition from the City of Stockholm. The Company's assessment on the basis of external legal advice is that the Company is entitled to damages from the City of Stockholm for the costs incurred. The Company filed a lawsuit of SEK 169 million regarding project Gasklockan against the City of Stockholm. However, the lawsuit was dismissed by the District Court due to the fact that the lawsuit was filed jointly by two Group companies. In short, the District Court found that the two Group companies cannot suffer joint damages. According to the assessment of external legal advisors, this contradicts previous judgements from the Swedish District Courts in similar cases. Although it would be likely that the Court of Appeal change the decision, the Company decided to refile the lawsuit. A new lawsuit has been filed with the Stockholm District Court and in that lawsuit one Group company has taken over the other Group company's claim for damages. As of the date of the Prospectus, the claim for damages amount to SEK 182.5 million.

Other than what is stated above, neither the Issuer nor the Group is, or has over the past twelve months been, a party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. Nor is the 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

On the date of this Prospectus the board of directors of the Issuer consisted of five members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at Oscar Properties Holding AB (publ), Box 5123, 102 43, Stockholm, Sweden. Further information on the members of the board of directors and the senior management is set forth below.

Board of directors

Peter Norman, chair of the board since 2019.

Education and current commitments: Degree in economics at Stockholm University. Chair of the board at Quartile Fonder AB, Swedish Transport Agency, Nasdaq Nordic Oy, Entropics Asset Management AB and Royal College of Music in Stockholm, and board member at Peter Norman finanskonsult AB.

Oscar Engelbert, member of the board and CEO since 2011.

Education and current commitments: Chair of the board at Aktiebolaget Heribert Engelbert, Heribert Produktion AB, board member at Pressology AB and Parkgate AB and deputy board member at Hammarby Sjöstad Fastighets AB.

Therese Agerberth, member of the board since 2019.

Education and current commitments: MSc in Economics from Stockholm University. CEO of Secret Escapes Skandinavien.

Ulf Nilsson, member of the board since 2019.

Education and current commitments: Master of Law from Uppsala University. Board member at Sigfride Fastigheter AB and Krylbohus AB.

Douglas Roos, member of the board since 2021.

Education and current commitments: Master of Law from Stockholm University. Chair of the board at 24 Media Network AB and board member at Investment AB Öresund.

Management

Oscar Engelbert.

See under Board of directors above.

Per-Axel Sundström, CFO.

Education and current commitments: MSc in Economics from Uppsala University. Board member at PAX Consulting AB, KEPRI Aktiebolag, Foret Aktiebolag, the cooperation housing associations (Sw. *bostadsrättsförening*) Röda Lacket and Formannen 13 & 14.

Ulrika Stålberg, Sales manager.

Education and current commitments: N/A.

Conflicts of interest within administrative, management and control bodies

The board members Oscar Engelbert and Ulf Nilsson have interests in other real estate companies, which are directly or indirectly active on the Swedish real estate market. Situations may arise where they have interests that differ from the interests of the Company.

Except for what is stated above, and to the extent that can be reasonably verified by the Company, no conflict of interest exists regarding the private affairs, family relations, or any other kind, between members of the administrative and senior management bodies that might conflict with the Company's interests or prevent the aforementioned to faithfully execute their duties to the Company.

Some members of the board of directors and management have private interests in the Issuer by their direct or 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 Joint Bookrunners and/or their 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 December 2020 and the figures for the financial year ended 31 December 2019 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. All such information is available on the Issuer's website, <https://oscarproperties.com/investors/financial-reports-and-presentations>. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2020 and 31 December 2019 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 December 2020 and for the financial year ended 31 December 2019, 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 December 2020 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 52;
- consolidated balance sheet, page 54;
- consolidated cash flow statement, page 57;
- consolidated statement of changes in equity, page 56;
- notes, pages 63 – 91; and
- the audit report, page 94.

The specific information set out below from the Group's consolidated financial statements for the financial year ended 31 December 2019 is incorporated into this Prospectus by reference. The other information set out in the consolidated financial statements for the financial year ended 31 December 2019 is deemed to not be relevant for the purpose of this Prospectus:

- consolidated income statement, page 60;
- consolidated balance sheet, page 62;
- consolidated cash flow statement, page 65;
- consolidated statement of changes in equity, page 64;
- notes, pages 71 – 95; and

- the audit report, page 98.

Auditing of the annual historical financial information

The Company's consolidated financial statements for the years 2016 to 2020 have been audited, as applicable, by Ernst & Young AB. Ernst & Young AB was the Company's auditor from 2016 until 2021. Ingemar Rindstig is the auditor who has been responsible for the Company and is an authorised auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

On 18 May 2021 the annual general meeting elected PricewaterhouseCoopers AB, Torsgatan 21, 113 21 Stockholm, Sweden, as the Company's auditor. Johan Rippe is the auditor who is responsible for the Company. Johan Rippe is an authorised auditor and is a member of the professional body FAR.

The auditing of the consolidated financial statements was conducted in accordance with international standards on auditing.

Annual report for 2019

In its audit report, the Company's auditor provided the annual report for 2019 with a comment (Sw: *särskild upplysning*). The comment concerned the significant uncertainty regarding the assumption of continued operations of the Company. The comment is set out below in its entirety:

"We would like to draw attention to the information provided in the Management Report and Note 1 under the section Continued operation, nature, scope and risks, of which it is evident that the Group's continued operations depend on planned property sales being carried out and that the extension or redemption of interest-bearing liabilities of SEK 688,000,000 due in 2020 takes place. Should the measures that the Board of Directors plans to implement not be implemented, there is a material factor of uncertainty that could lead to significant doubts as to the Company's ability to continue its business. Our statement is not modified in this regard."

The section Continued operation, nature, scope and risks in the Management report and Note 1 in the Annual Report for the financial year 2019 reads:

"It is the Board of Directors' assessment that the amount of equity in the Company must be maintained in order for the Company to continue its operations and fulfil its obligations in the short- and long-term. Creating a long-term sustainable capital structure is a prerequisite for continued operations and means that the Company as well as the Group can be expected to fulfil their obligations in both the short- and long-term.

The release of liquidity is a prerequisite for the Company to be able to fulfil its obligations in 2020 and beyond. These obligations include the implementation of start-up projects, the completion of projects in the final phase, day-to-day operations in general, the redemption of previously overdue payable accounts as well as the redemption of due loans. The interest-bearing liabilities due in 2020 amounted to a total of SEK 688,000,000 as of 31 December. Among the measures planned in order to fulfil these obligations is an extension or redemption of the SEK 360,000,000 bond loan due in August 2020. Other interest-bearing liabilities due in 2020 are expected to be extended or resolved in connection with the completion of projects or by additional proceeds from real estate sales. In addition, the Company intends to generate additional liquidity through the sale of properties and projects. Future projects may also be run in cooperation with an additional party in order to enable the implementation of these projects. In order to carry out these future sales and collaborations and any extensions or refinancing solutions of the loan abilities, the Company and its counterparties must agree on the terms of the projects in question and that agreements are reached.

Should the measures described above not be successful and not be implemented, this may mean that there is a material factor of uncertainty that could lead to significant doubts as to the Company's ability to continue its business. The Board of Directors' assessment is that it is likely that these measures will be successfully implemented, and that continued liquidity can be obtained. The financial statements of the Company have been prepared on the assumption of continued operation."

After the comment was provided the responsibility for the bond loan of SEK 360 million maturing in August 2020 was transferred to the buyer in the sale of the subsidiary that issued the bond loan, Nackahusen Holding AB.

Annual report for 2020

In its audit report, the Company's auditor provided the annual report for 2020 with a remark (Sw: *anmärkan*). The remark concerned the fact that the Company on several occasions during the financial year had not paid in time withholding tax, debited tax and employer contributions (Sw: *avdragen källskatt, debiterad skatt och arbetsgivaravgifter*).

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 December 2020, which was published on 26 March 2021 on the Issuer's website <https://mb.cision.com/Main/7077/3314890/1393263.pdf>.

Other Information

Approval of the Prospectus

This Prospectus has been approved by Finansinspektionen, as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. Finansinspektionen only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of the European Parliament and of the Council. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this prospectus nor of the Issuer that is the subject of this prospectus and investors should make their own assessment as to the suitability of investing in the securities.

Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 550,000,000 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 1,000,000,000. Each Bond has a nominal amount of SEK 1,250,000. The ISIN for the Bonds is SE0016275143.

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 and can be accessed on the Issuer's website: <https://oscarproperties.com/investors/bonds>.

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 <https://oscarproperties.com/investors/financial-reports-and-presentations>:

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2020; and
- pages 60 – 65 and 71 – 95 from the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019.

Documents available for inspection

The following documents are available at the Company's headquarters at Linnégatan 2, 102 43 Stockholm, Sweden, on weekdays during the Company's regular office hours throughout the period of validity of this Prospectus.

- the Company's articles of association;
- the Company's certificate of registration;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2020; and
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019.

The following documents are also available in electronic form on the Company's website <https://oscarproperties.com/>:

- the Company's articles of association; and
- the Company's certificate of registration;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2020; and
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2019.

Listing costs

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 180,000.

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 (or as otherwise adopted or amended from time to time).

"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 in the normal course of business with credit periods which are no longer than 90 days after the supply of assets or services, or (b) any other trade credit incurred in the ordinary course of business where payment is due no more than 90 days after the date of trade.

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

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

"Agent" means Intertrust (Sweden) AB, reg. no. 556625-5476, P.O. Box 16285, SE-103 25 Stockholm, Sweden 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.

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

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

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

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

"Call Option Amount" mean the amount set out in Clause 9.3 (*Voluntary total redemption (call option)*), as applicable.

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

"Change of Control Event" means the occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 30 per cent. of the voting shares of the Issuer, or (b) 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 from the Proceeds Account.

"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 or the Ordinary Shares Distribution Test (as applicable) 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 Covenants are 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, reg. no. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

"**CSD Regulations**" means the CSD's rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

"**Delisting**" means (i) the delisting of the shares in the Issuer from a Regulated Market or (ii) trading in the ordinary shares of the Issuer on the relevant Regulated Market is suspended for a period of fifteen (15) consecutive Business Days (when that Regulated Market is at the same time open for trading).

"**Earn-out Agreements**" means the earn-out provisions pursuant to:

- (a) a share purchase agreement between Planiavägen Holding AB and Fastighets AB Stenvalvet (publ), dated 20 November 2019;
- (b) a share purchase agreement between Oscar Properties 16 AB and Slättö Bostad Holding AB, dated 22 April 2020;
- (c) a share purchase agreement between Oscar Properties Invest AB and Fastighetsutveckling IB 102 AB, dated 12 August 2020;
- (d) a property purchase agreement between Oscar P Management AB and Jonas Ramstedt, dated 30 March 2020; and
- (e) a share purchase agreement between Oscar Properties 3 AB and House of Kicks AB and GIAB Fastighetsutveckling AB, dated 18 February 2021.

"**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;
- (d) 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);
- (e) 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;

- (f) 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;
- (g) plus or minus the Group's share of the profits or losses of entities which are not part of the Group;
- (h) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

"Equity" means, in accordance with the Accounting Principles, restricted equity and non-restricted equity (including any Hybrid Instruments) pursuant to the most recent Financial Report.

"Equity Ratio" means Equity to Total Assets.

"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*).

"Extraordinary Items" means extraordinary item which are not in line with the ordinary course of business (including any transaction costs relating to (i) any financing or equity raise and, (ii) the acquisition and/or divestment of Properties) provided that such items are not in the excess of an amount equal to five (5) per cent. of EBITDA (before adjusting for Extraordinary Items) in the Reference Period.

"Final Maturity Date" means 5 July 2024.

"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 Subordinated Debt or interest paid or accrued under any Hybrid Instruments 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) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Proceeds Account Pledge Agreement; and
- (d) any other document designated by the Issuer and the Agent as a Finance Document.

"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 applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated

as operating leases under the Accounting Principles as applicable on the First Issue Date 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 värdepapperscentraler och kontoföring av finansiella instrument*).

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

"First Issue Date" means 5 July 2021.

"Floating Rate Margin" means 7.25 per cent. *per annum*.

"Force Majeure Event" has the meaning set forth in Clause 25(a).

"Group" means the Issuer and each of its Subsidiaries from time to time and **"Group Company"** means any of them.

"Hybrid Instruments" means any subordinated (according to its terms) debt instruments issued by the Issuer which are accounted for as equity on the date when the relevant subordinated debt instrument is issued in accordance with the Accounting Principles.

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

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

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

"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 (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), admits inability to pay its debts as they fall due, suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*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 5 January, 5 April, 5 July and 5 October each year. The first Interest Payment Date shall be 5 October 2021. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a Business Day, the Business Day following from an application of the Business Day Convention.

"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 (3 months) plus the Floating Rate Margin.

"Issue Date" means the First Issue Date and any subsequent date when a Subsequent Bond Issue takes place.

"Issuer" means Oscar Properties Holding AB (publ), limited liability company incorporated in Sweden with reg. no. 556870-4521.

"Issuing Agent" means DNB Markets, a part of DNB Bank ASA, Sweden Branch, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"Joint Bookrunners" means DNB Markets, a part of DNB Bank ASA, Sweden Branch and Swedbank AB (publ).

"Listing Failure Event" means:

- (a) that the Initial Bonds have not been admitted to listing on Nasdaq Stockholm (or another Regulated Market) within sixty (60) days after the First Issue Date (provided that the Issuer has an intention to list the Initial Bonds within thirty (30) days after the First Issue Date); or

- (b) any Subsequent Bonds have not been admitted to listing on Nasdaq Stockholm (or another Regulated Market) within sixty (60) days after the issuance of such Subsequent Bonds (provided that the Issuer has an intention to list any Subsequent Bonds within thirty (30) days after the issuance of such Subsequent Bonds) unless the Subsequent Bonds are issued before the date when the Initial Bonds are listed in which case such Subsequent Bonds shall be listed together with the Initial Bonds.

"Loan to Value" means the ratio of Net Interest Bearing Debt to the Value.

"Maintenance Covenants" means the maintenance covenants set out in Clause 11.1 (*Maintenance Covenants*).

"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 any Regulated Market, MTF or other unregulated recognised market place.

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

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

"MTF" means any multilateral trading facility as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

"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 Subordinated Debt).

"Net Interest Bearing Debt" means the aggregate interest bearing Financial Indebtedness of the Group less Cash and Cash Equivalents in accordance with the Accounting Principles (for the avoidance of doubt, excluding guarantees, bank guarantees, any claims subordinated pursuant to a subordination agreement on terms and conditions satisfactory to the Agent, any Hybrid Instruments and interest bearing Financial Indebtedness borrowed from any Group Company).

"Net Proceeds" means the proceeds from a 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.

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

"Ordinary Shares Distribution Test" means the ordinary shares distribution test set out in Clause 11.4 (*Ordinary Shares Distribution Test*).

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

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

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

"**Project Property**" means any development properties by a Group Company from time to time.

"**Property**" means any real property (*Sw. fastighet*) and/or site leasehold (*Sw. tomträtt*) 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 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

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

"Refinancing Debt" means:

- (a) the Issuer's existing bonds with ISIN: SE0005936390 in an outstanding aggregate amount of approximately SEK 311,500,000 (the "**Existing Bonds**");
- (b) financings relating to the Group's project Helix in an approximate amount of SEK 68,600,000; and
- (c) other interest bearing debt of the Group.

"**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.

"Security" means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any Person, or any other agreement or arrangement having a similar effect.

"Subordinated Debt" means any loan made to the Issuer as debtor, if such loan:

- (a) according to its terms is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) 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
- (c) 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* of the Stockholm interbank offered rate for STIBOR fixing administered and calculated by the Swedish Financial Benchmark Facility (or any other person which takes over the administration of that rate) and displayed on the appropriate Reuters screen (or through such other system or on such other page as replaces the said system or page) 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 leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

"Subsequent Bond Issue" has the meaning set forth in Clause 2(e).

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

"Subsidiary" means, any legal entity (whether incorporated or not), 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 a Bond Issue and the listing of the Bonds.

"Valuation" means a valuation of the Properties (other than the Project Properties) prepared in accordance with the valuation methods generally applied by Swedish property evaluators and issued by an independent and reputable appraiser, specifying the value of the Properties.

"Value" means the aggregate amount of:

- (a) the fair market value of the Properties (other than the Project Properties) pursuant to the most recent Valuation (or if so requested by the Agent, the average value of two Valuations);
- (b) the accrued expenses in relation to the Project Properties pursuant to the most recent Financial Report (however not including the value of any real property and/or site leasehold);
- (c) the value of the Group's equity interests in any joint venture pursuant to the most recent Financial Report;
- (d) the value (as determined in accordance with the Accounting Principles) of any interest bearing receivables owed by joint ventures and/or condominium associations (*Sw. bostadsrättsförening*) to a Group Company pursuant to the most recent Financial Report;
- (e) the value of the Group's participations (*Sw. andelar*) in any condominium association (other than where such condominium association is included as a member of the Group) pursuant to the most recent Financial Report; and

- (f) the outstanding amount under the Earn-out Agreements pursuant to the most recent Financial Report as determined in accordance with the Accounting Principles.

"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). 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.
- (e) The privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

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 Bond is SEK 1,250,000 (the "**Nominal Amount**"). The total nominal amount of the Initial Bonds is SEK 550,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100) per cent. of the Nominal Amount.
- (d) The minimum permissible investment in the Initial Bond Issue is SEK 1,250,000.
- (e) Provided that the Incurrence Test is met, the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). 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 Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at the Nominal Amount or 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 1,000,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 15(e)(i). 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.
- (f) The Bonds constitute direct, 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.
- (g) 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.
- (h) 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 proceeds from the Initial Bond Issue shall be used to:
 - (i) refinance the Refinancing Debt;
 - (ii) finance general corporate purposes, including investments and acquisitions; and
 - (iii) finance Transaction Costs.
- (b) The proceeds from any Subsequent Bond Issue shall be used to:
 - (i) finance general corporate purposes, including investments and acquisitions; and
 - (ii) finance Transaction Costs.

4. Conditions Precedent

- (a) The Issuer shall provide to the Agent, no later than 9.00 a.m. three (3) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), the following:
 - (i) the Proceeds Account Pledge Agreement, duly executed and perfected;
 - (ii) 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;
 - (iii) an agreed form funds flow evidencing the payments to be made from the Proceeds Account in accordance with Clause 3 (*Use of Proceeds*) when the conditions for disbursement set out in Clause 4(f) have been fulfilled;
 - (iv) an agreed form Compliance Certificate; and
 - (v) copies of the Finance Documents, duly executed.
- (b) The Issuer shall provide to the Agent, no later than 9.00 a.m. three (3) Business Days prior to the Issue Date (or such later time as agreed to by the Agent) in respect of Subsequent Bonds, the following:
 - (i) constitutional documents and corporate resolutions (approving the Subsequent Bond Issue and resolving to enter into any documents necessary in connection therewith) for the Issuer; and
 - (ii) a Compliance Certificate evidencing that the Incurrence Test has been met.

- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4(a) and 4(b) 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 Agent does not have any obligation to review the documentation and evidence referred to in Clause 4(a) and 4(b) above from a legal or commercial perspective of the Bondholders.
- (d) The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 4(a) or 4(b), as the case may be, have been fulfilled (or amended or waived in accordance with Clause 18 (*Amendments and Waivers*)). The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 9.00 a.m. two (2) Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees).
- (e) Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4(d), the Issuing Agent shall settle the issuance of the Initial Bonds and pay the Net Proceeds into the Proceeds Account on the First Issue Date. Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4(d), the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds to the Issuer on the relevant Issue Date.
- (f) The Agent shall promptly release the Security pursuant to the Proceeds Account Pledge Agreement and promptly instruct the account bank with which the Proceeds Account is held to transfer the funds standing to the credit on the Proceeds Account in accordance with the funds flow set out in Clause 4(a)(iii) when the Agent is satisfied that it has received the following:
 - (i) a copy of a duly signed conditional and irrevocable call notice together with evidence that the conditions have been satisfied for the repayment of the Existing Bonds and a confirmation that the repayment will take place upon the release from the Proceeds Account (however, with due regard to the payment mechanisms of the CSD); and
 - (ii) Valuations of the Properties.
- (g) If the conditions precedent for disbursement set out in Clause 4(f) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within thirty (30) 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 (the "**Special Mandatory Redemption**"). Any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the Special Mandatory Redemption under this Clause 4(g). 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 thirty (30) Business Days period referred to above.
- (h) A Special Mandatory Redemption shall be made by the Issuer giving notice to the Bondholders and the Agent promptly following the date when the Special Mandatory Redemption is triggered pursuant to Clause 4(g). The Issuer shall

redeem the Bonds in full at the applicable amount on a date specified in the notice from the Issuer. The notice shall specify the Record Date for the redemption.

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, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. 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 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 without any default interest 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 (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and

including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9. Redemption and Repurchase of the Bonds

9.1 Redemption at maturity

The Issuer shall redeem all, but not 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 may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled (other than in connection with a total redemption of all Bonds).

9.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
- (i) any time from and including the First Issue Date to, but excluding, the first Business Day falling 24 months after the First Issue Date at an amount per Bond equal to 103.625 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c), up to, but excluding, the first Business Day falling 24 months after the First Issue Date, together with accrued but unpaid Interest;
 - (ii) any time from and including the first Business Day falling 24 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 103.625 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (iii) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the first Business Day falling 33 months after the First Issue Date at an amount per Bond equal to 101.8125 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
 - (iv) any time from and including the first Business Day falling 33 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.90625 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. The notice shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. 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.
- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant record date to, but excluding, the first Business Day falling 24 months after the First Issue Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant record date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

9.4 Mandatory repurchase due to a Change of Control Event, Listing Failure Event and Delisting (put option)

- (a) Upon the occurrence of a Change of Control Event, Listing Failure Event and/or Delisting 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, Listing Failure Event and/or Delisting pursuant to Clause 10.1(d) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event, Listing Failure Event and/or Delisting.
- (b) The notice from the Issuer pursuant to Clause 10.1(d) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1(d). The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.4.
- (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 (other than in connection with a total redemption of all Bonds).

10. Information to Bondholders

10.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the Swedish language (provided that from the date falling twelve (12) months after the First Issue Date, such information shall also be made available in the English 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 (2) 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; and
 - (iii) as soon as practicable following an acquisition or disposal of Bonds by a Group Company, the aggregate Nominal Amount held by Group Companies.
 - (iv) 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) From the First Issue Date:
- (i) the information set out in Clause 10.1(a) (other than sub-paragraph (iii)) shall also be made available by way of press release; and
 - (ii) the reports referred to in Clause 10.1(a)(i) and Clause 10.1(a)(ii) shall be prepared in accordance with IFRS.
- (c) When the financial statements and other information are made available to the Bondholders pursuant to Clause 10.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall immediately notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event, Listing Failure Event and/or Delisting and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.

- (e) The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (f) If requested by the Agent (acting reasonably), the Issuer shall provide the Agent with information with respect to any transaction under Clause 12.6 (*Disposal of Assets*) and any merger or demerger of a Subsidiary in accordance with Clause 12.8 (*Mergers and demergers*).
- (g) 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 20 days from such request.
- (h) The Issuer shall once in every twelve-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. For the avoidance of doubt, the Valuations for the Properties does not have to be dated on the same date provided that, no Valuation may be older than twelve (12) months.
- (i) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (g) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (j) 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 applicable laws, regulations and 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 documents amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- (b) The latest version of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours.

11. Financial Undertakings

11.1 Maintenance Covenants

The Issuer shall ensure that:

- (a) the Interest Coverage Ratio is
 - (i) for the period from the First Issue Date to (but excluding) the date falling 18 months after the First Issue Date, more than 1.25:1; and
 - (ii) for the period from the date falling 18 months after the First Issue Date to (and including) the Final Maturity Date, more than 1.50:1.
- (b) the Equity Ratio is:
 - (i) for the period from the First Issue Date to (but excluding) the date falling 18 months after the First Issue Date, more than 25%;
 - (ii) for the period from the date falling 18 months after the First Issue Date to (but excluding) the date falling 30 months after the First Issue Date, more than 27.50%; and
 - (iii) for the period from the date falling 30 months after the First Issue Date to (and including) the Final Maturity Date, more than 30%.
- (c) the Loan to Value is:
 - (i) for the period from the First Issue Date to (but excluding) the date falling 18 months after the First Issue Date, not greater than 75%;

- (ii) for the period from the date falling 18 months after the First Issue Date to (but excluding) the date falling 30 months after the First Issue Date, not greater than 70%; and
- (iii) for the period from the date falling 30 months after the First Issue Date to (and including) the Final Maturity Date, not greater than 65%.

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 30 September 2021.
- (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 is more than 30%;
- (b) the Loan to Value is not greater than 65%; and
- (c) no Event of Default is continuing or would occur from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the incurrence of Financial Indebtedness or distribution (as applicable).

11.4 Ordinary Shares Distribution Test

The Ordinary Shares Distribution Test is met if:

- (a) the Equity Ratio is more than 30%;
- (b) the Loan to Value is not greater than 55%; and
- (c) no Event of Default is continuing or would occur from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the incurrence of Financial Indebtedness or distribution (as applicable).

11.5 Testing of the Incurrence Test and the Ordinary Shares Distribution Test

- (a) The calculation of the Loan to Value for the purpose of the Incurrence Test and the Ordinary Shares Distribution Test shall be calculated as follows:
 - (i) the calculation of Loan shall be as per a testing date determined by the Issuer, falling no more than one month prior to incurrence of Financial Indebtedness or distribution (as applicable);

- (ii) if the Incurrence Test is tested for the purpose of incurring Financial Indebtedness which will be used to acquire properties (or a company holding such properties), (i) Value shall be calculated *pro forma* and include the value of such properties (based on an external valuation prepared in accordance with the valuation methods generally applied by Swedish property evaluators not being older than twelve (12) months) and (ii) any other Financial Indebtedness (other than any Subordinated Loans) to be taken up by any Group Company for the purpose of financing the acquisition of such properties (or company holding such properties) shall be included on a *pro forma* basis when calculating Financial Indebtedness; and
 - (iii) the calculation of Values shall be based on the most recent Valuation.
- (b) The calculation of the Equity Ratio for the purpose of the Incurrence Test and the Ordinary Shares Distribution Test shall be made as per a testing date determined by the Issuer, falling no more than one month prior to incurrence of Financial Indebtedness or distribution (as applicable), adjusted for any events affecting such ratio after such testing date and include the contemplated incurrence of Financial Indebtedness or distribution (as applicable).

11.6 Calculation Adjustments

- (a) The figures for EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Maintenance Covenant Test, but adjusted so that:
 - (i) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period; and
 - (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period.
- (b) The figures for Net Finance Charges set out in the Financial Report as of the most recent quarter date, shall be used, but adjusted so that Net Finance Charges for such Reference Period shall:
 - (i) not include any Net Finance Charges attributable to Financial Indebtedness of a disposed entity or which has been repaid or otherwise discharged (to the extent such Net Finance Charges is included in the relevant Financial Report); and
 - (ii) be increased on a *pro forma* basis by an amount equal to the Net Finance Charges attributable to (i) any Financial Indebtedness owed by acquired entities and (ii) any Financial Indebtedness incurred during the Reference Period, in each case calculated as if all such debt had been incurred at the beginning of the relevant Reference Period.

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 Restricted Payments

- (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 Subordinated Debt or Hybrid Instrument or pay any interest thereon;
 - (v) in relation to the Issuer, make any prepayments or repayments under any long term debt ranking junior or *pari passu* with the Bonds;
 - (vi) grant any loans except (A) in the ordinary course of business, (B) to joint ventures of the Group provided that such loan is made *pro rata* to the Group's ownership in the joint venture or, (C) any other loan in an aggregate outstanding amount not exceeding SEK 10,000,000; 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 direct or indirect Subsidiary of the Issuer but, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis;
 - (ii) if made in relation to the redemption of the Issuer's preference shares class B in a total aggregate amount of up to SEK 30,000,000;
 - (iii) provided that such payment is fully funded with proceeds from the issuance of ordinary shares in the Issuer, if made to redeem preference shares issued by the Issuer;
 - (iv) in connection with a dividend on ordinary shares class D (issued on customary terms) issued by the Issuer, a dividend on ordinary shares issued

by the Issuer (other than ordinary shares class D) in an amount not exceeding SEK 4,000,000 in any calendar year;

- (v) if:
 - (A) in connection with a dividend on ordinary shares issued by the Issuer (other than ordinary shares class D), the Ordinary Shares Distribution Test is met (calculated on a *pro forma* basis including the relevant Restricted Payment); or
 - (B) in connection with any Restricted Payment (other than as set out in (A) above), the Incurrence Test is met (calculated *pro forma* including such Restricted Payment and, if applicable, any Restricted Payment made in accordance with paragraph (iv) above in connection therewith),

in each case, provided that, at the time of the payment, the aggregate amount of all Restricted Payments of the Group (other than payments permitted under paragraph (i) above) in any fiscal year (including the Restricted Payment in question) does not exceed 50% per cent. of net profit for the previous financial year (net profit shall for this purpose be reduced with (i) the amount of any unrealised gains due to revaluations and (ii) any profit deriving from gain against book value arising on a disposal of any asset to the extent such disposal is not made for cash consideration ("**Non Cash Disposal**") (provided that, in relation to any such Non Cash Disposal after the First Issue Date, net profit for the financial year when cash from a Non Cash Disposal is received by the Group shall be increased with the amount of cash received for such Non Cash Disposal in that financial year));

- (vi) by the Issuer, if the Incurrence Test is met (calculated *pro forma* including such Restricted Payment) and such Restricted Payment is a payment of accrued interest under any Hybrid Instruments; or
- (vii) by the Issuer, if such Restricted Payment is a payment of principal or capitalised interest under any Hybrid Instruments in connection with a refinancing in part or in full of such Hybrid Instruments financed by the issuance of Subordinated Loans, new Hybrid Instruments, preference shares or any other instrument accounted for as equity in accordance with the Accounting Principles.

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 admitted to trading on another Regulated Market within twelve (12) months after the First Issue Date;
- (b) any Subsequent Bonds are listed on the corporate bond list of Nasdaq Stockholm, or if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months after the issuance

of such Subsequent Bonds (unless the Subsequent Bonds are issued before the date falling twelve (12) months after the First Issue Date in which case such Subsequent Bonds shall be listed within twelve (12) months after the First Issue Date); 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 Loans

- (a) The Issuer shall not issue any Market Loans.
- (b) Notwithstanding paragraph (a) above, the Issuer may issue Market Loans, provided that:
 - (i) the incurrence of such Market Loan meets the Incurrence Test, including such Market Loan on a *pro forma* basis and the Market Loan:
 - (A) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Bonds;
 - (B) has a final redemption date or, when applicable, early redemption dates or instalment dates that occurs after the Final Maturity Date; and
 - (C) is unsecured;
 - (ii) such Market Loan is issued as Subsequent Bonds and the incurrence of such Subsequent Bonds meet the Incurrence Test, including the Subsequent Bonds on a *pro forma* basis.

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 provide, prolong or renew any security over any of its/their assets (present or future) for any Market Loans.

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.

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, (i) comply in all material respects with all laws and regulations applicable from time to time and (ii), obtain, maintain, and comply in all material respects with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

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 in accordance with normal market practice; and
- (b) the Properties are not demolished or altered in a way that would have a Material Adverse Effect.

12.14 Undertakings relating to the Agency Agreement

- (a) The Issuer shall, in accordance with the Agency Agreement:
 - (i) pay fees to the Agent;
 - (ii) indemnify the Agent for costs, losses and liabilities;
 - (iii) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and

- (iv) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.
- (b) The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

12.15 CSD related undertakings

The Issuer shall keep the Bonds affiliated with a CSD and comply with all applicable CSD Regulations.

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 Maintenance Covenants

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

13.3 Other Obligations

A party (other than the Agent) fails to comply with the Finance Documents, in any other way than as set out in Clauses 13.1 (*Non-Payment*) and 13.2 (*Maintenance Covenants*), provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer or that party has remedied the failure within fifteen (15) Business Days of the earlier (i) the Issuer or that party becoming aware of the failure to comply and (ii) the Agent requesting the Issuer in writing to remedy such failure.

13.4 Cross payment default and Cross-acceleration

- (a) Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period (if there is one) or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described);
- (b) any commitment for any Financial Indebtedness of a Group Company is cancelled or suspended by a creditor as a result of an event of default (however described),
or

- (c) any creditor of the Issuer becomes entitled to declare any Financial Indebtedness of the Issuer 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 Clause 13.4 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 25,000,000 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.
- (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 on which it is advertised and (ii), in relation to Subsidiaries of the Issuer, solvent liquidations) in relation to:

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

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 25,000,000 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 (other than (i) following (i) a solvent liquidation permitted pursuant to Clause 13.6 (*Insolvency Proceedings*) above or (ii) a disposal permitted under the Finance Documents), 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 in accordance with this Clause 13.11, the Issuer shall up to, but excluding, the date falling 18 months after the First Issue Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(i) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

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.
- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14(a)(i).

- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of Security under the Proceeds Account Pledge Agreement constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.
- (d) If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7(a) shall apply.

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), 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 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 1,000,000,000 (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(f) to 2(h);
 - (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)) or an acceleration of the Bonds.

- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.

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 16(a).
- (c) The notice pursuant to Clause 16(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

17. Written Procedure

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.

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

18. Amendments and Waivers

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment 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 paragraph (a) above.
- (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 is 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 never be responsible for indirect or consequential loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) The Agent shall have no liability to the Issuer or the Bondholders for damage caused by the Agent 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.

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 CSD

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

replacement does not have a negative effect on any Bondholder. The replacing CSD must be authorized to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*Iag (2007:528) om värdepappersmarknaden*) or Regulation (EU) no. 909/2014 and be authorized as a central securities depository in accordance with the Financial Instruments Accounts Act.

21. 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.

22. 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 22(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 by any reason described in Clause 19.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2(k) before a Bondholder may take any action referred to in Clause 22(a).
- (c) The provisions of Clause 22(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, Listing Failure Event and Delisting (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

23. 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.

24. Notices and Press Releases

24.1 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 or, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
 - (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 or if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if practically possible) or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer 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, or if between the Issuer and the Agent, by email, and will only be effective:
 - (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1(a);
 - (ii) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1(a); or
 - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), 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.

- (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.

24.2 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)*), 10.1(d), 13.11(c), 15(o), 16(a), 17(a) and 18(c) shall also be published by way of press release by the Agent.
- (b) In addition to Clause 24.2(a), if any information relating to the Bonds or the Issuer 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.

25. Force Majeure and Limitation of Liability

- (a) None of the Agent or 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 willful 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 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

26. Governing Law and Jurisdiction

- (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 Swedish.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm.

Addresses

ISSUER

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CENTRAL SECURITIES DEPOSITORY

Euroclear Sweden AB

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