

# KVALITENA

**Kvalitena AB (publ)**

**Prospectus for admission to trading on the Corporate Bond List of  
Nasdaq Stockholm of SEK 500,000,000 Senior Floating Rate Notes  
2019/2022**

**ISIN: SE0012675155**

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**31 July 2019**

## IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Kvalitena AB (publ), Reg. No. 556527-3314 (the “**Company**” or “**Kvalitena**”), in relation to the application for listing of the SEK 500,000,000 senior floating rate notes (the “**Notes**”) on the corporate bond list of Nasdaq Stockholm Aktiebolag, Reg. No. 556420-8394 (“**Nasdaq Stockholm**”). ABG Sundal Collier ASA (the “**Issuing Agent**”) and ABG Sundal Collier AB have acted as financial advisors to the Company in relation to the listing of the Notes on Nasdaq Stockholm.

This Prospectus has been prepared in accordance with the standards and requirements of the Regulation (EU) 2017/1129 of the European Parliament and of the Council, supplemented by the Commission Delegated Regulation (EU) 2019/980 and the Commission Delegated Regulation (EU) 2019/979. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the “**SFSA**”) as competent authority under the Regulation (EU) 2017/1129 of the European Parliament and of the Council. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129 of the European Parliament and of the Council, and such approval should not be considered as an endorsement of the Company or the quality of the Notes. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA’s website ([fi.se](http://fi.se)) and the Company’s website ([kvalitena.se](http://kvalitena.se)). Paper copies may be obtained from the Company. Unless otherwise stated or required by context, terms defined in the terms and conditions for the Notes beginning on page 31 (the “**Terms and Conditions**”) shall have the same meaning when used in this Prospectus.

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

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Notes in any jurisdiction. It has been prepared solely for the purpose of listing the Notes 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 other measures than those required by Swedish law or otherwise is contrary to the rules and regulations of such jurisdiction. Persons into whose possession this Prospectus comes or persons who acquire the Notes are therefore required to inform themselves about, and to observe, such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or under any U.S. state securities legislation. Furthermore, the Company has not registered the Notes under the securities legislation of any other country. The Noteholder may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject.

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 Company or its subsidiaries (the “**Group**”). The words “consider”, “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 remits, 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 Company’s operations. An investment in the Notes is associated with risks and risk taking. Anyone considering investing in the Notes is therefore encouraged to carefully study the Prospectus, in particular the section “*Risk Factors*”. Each potential investor should make its own assessment as to the suitability of investing in the Notes in the light of its own circumstances.

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

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## Summary

### Section 1 – Introduction and Warnings

#### **Introduction**

##### The securities

Senior floating rate notes with ISIN SE0012675155.

##### The issuer

The issuer is Kvalitena AB (publ), Reg. No. 556527-3314, a Swedish public limited liability company having its registered office in the municipality of Lidköping, Sweden, its registered address is c/o Stendörren, Strandvägen 5A, 114 51 Stockholm, Sweden, and with telephone number +46 (0)8 121 317 00. The Company's legal entity identifier (LEI) is 549300242W79G00TNO59.

##### Competent authority and date of approval

The Competent authority, which approved this Prospectus on 31 July 2019, is the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*), with postal address Finansinspektionen, P.O. Box 7821, 103 97 Stockholm (Sweden) and visiting address Brunnsgatan 3, 111 38 Stockholm (Sweden), and with telephone number +46 (0)8 408 980 00.

#### **Warnings**

This summary should be read as an introduction to the Prospectus;

any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor;

where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and

civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

### Section 2 – The issuer

#### **Who is the issuer of the securities?**

##### Domicile, legal form and relevant jurisdiction

The Company is a public limited liability company, incorporated in Sweden and governed by the laws of Sweden, including but not limited to the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*). The Company is domiciled in Lidköping, Sweden. The Company's legal entity identifier (LEI) is 549300242W79G00TNO59.

##### Principal activities

Kvalitena is a diversified investment company with a strategic focus on real estate investments in the greater Stockholm region and the Company's operations are mainly run through its subsidiaries and affiliated companies. The Company's business mission is to generate long-term growth and enhancement of net asset value. The Company seeks to accomplish its business mission through the application of professional investment management and active ownership, thereby enabling a high long-term risk-adjusted return. Kvalitena is an active owner working closely with management in its affiliates and partners contributing business development skills and financing expertise.

#### Major shareholders

Dorco International B.V. ("**Dorco**") is the largest shareholder of the Company. As per the date of this Prospectus, Dorco holds 90 per cent of the shares in the Company. Scanvik AB, Reg. No. 556705-1064 ("**Scanvik**"), owns the remaining 10 per cent of the Company's shares. Dorco is controlled by Mikael Andersson while Scanvik is controlled by Claes Wollter, member of the Board of Directors of Kvalitena.

#### Key managing directors

The Company's Board of Directors consists of four ordinary board members, (Ola Andersson (*chairman*), Thomas Kjessler, Seth Lieberman and Claes Wollter), appointed for the period until the end of the annual general meeting to be held in 2020. The Company's chief executive officer is Knut Pousette, its chief financial officer is Jonas Vestin and its head of transactions is Hans Lycketorp.

#### Auditor

The Company's auditor is presently the accounting firm Rådek AB with auditor Johan Rudengren as auditor in charge.

### **What is the key financial information regarding the issuer?**

The selected historical financial information presented below regarding financial years 2018 and 2017 is derived from the Group's consolidated annual reports for the financial years 2018 and 2017. The Group's consolidated annual reports for the financial years 2018 and 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Further, the consolidated financial statements of the Group have been prepared in accordance with Swedish law by application of the Swedish Financial Reporting Board's, RFR1 Supplementary Accounting Rules for Groups. The Company applies the same accounting principles as the Group unless otherwise is stated in the Company's annual report.

The selected historical financial information presented below regarding the period 1 January to 31 March 2019 and 2018 is derived from the Group's unaudited interim report for the first quarter of the financial year 2019 and 2018 respectively, which have been prepared in accordance with IAS 34 Interim Financial Reporting and which have not been reviewed or audited by the Group's auditors.

The Group's consolidated annual reports for the financial years 2018 and 2017 have been audited. Other than the auditing of the Group's financial statements for 2018 and 2017, the Group's auditors have not audited or reviewed any part of this Prospectus.

**Consolidated income statement for the Group**

<b>KSEK</b>	<b>Jan – Dec 2018</b>	<b>Jan – Dec 2017</b>	<b>Jan – Mar 2019</b>	<b>Jan – Mar 2018</b>
Operating profit/loss	49 540	332 776	-11 262	-48 379

**Consolidated balance sheet for the Group**

<b>KSEK</b>	<b>Jan – Dec 2018</b>	<b>Jan – Dec 2017</b>	<b>Jan – Mar 2019</b>
Net financial debt (long term debt plus short term debt minus cash)	3 851 009	4 281 025	4 776 371
Current ratio (current assets/current liabilities)	0,38	0,40	0,20
Debt to equity ratio (total liabilities/total shareholder equity)	1,22	1,33	1,40
Interest cover ratio (operating income/interest expense)	0,22	1,62	-0,25

**Consolidated cash flow statement for the Group**

<b>KSEK</b>	<b>Jan – Dec 2018</b>	<b>Jan – Dec 2017</b>	<b>Jan – Mar 2019</b>	<b>Jan – Mar 2018</b>
Cash flow from operating activities	-164 446	-100 087	-73 492	-64 253
Cash flow from financing activities	575 651	832 061	470 195	170 659
Cash flow from investing activities	-237 174	-883 337	-599 943	-110 510

## **What are the key risks that are specific to the issuer?**

Rental income: The risk that the rental income received by the Group declines due to decreased occupancy rates and contracted rental levels and the tenants' ability or willingness to pay rent on time.

Changes in value of the Group's properties: The risk that various factors (both property specific and market specific) causes the Group to write down the fair value of its properties.

Interest-rate risk: The risk that changes in interest rates affect the Group's interest expense, which is one of the Group's main cost items.

## **Section 3 – The securities**

### **What are the main features of the securities?**

#### Type, class and ISIN

Senior floating rate notes (debt instruments (Sw. *skuldförbindelse*) of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) due 2022 with ISIN SE0012675155.

#### Number of Notes, nominal amount and currency

The Notes are denominated in SEK and have a nominal amount of SEK 1,000,000 and the minimum permissible investment in relation to each issue of Notes is SEK 2,000,000. 500 Notes have been issued.

#### Rights attached to the Notes

Noteholders are entitled to receive Interest on the Notes on each Interest Payment Date, and repayment of the Nominal Amount together with accrued but unpaid Interest on the Final Maturity Date (being 4 December 2022). Interest is based on STIBOR 3 months plus a margin of 6.00 per cent *per annum*. If STIBOR is below zero, STIBOR will be deemed to be zero.

Nordic Trustee & Agency AB (publ), or another party replacing it, is acting as Agent for the Noteholders, in accordance with the Terms and Conditions. No Noteholder may take any individual action against the Issuer in matters relating to the Notes or the Terms and Conditions.

#### Status and ranking

The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and will at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except those obligations which are mandatorily preferred by law and except as otherwise provided in the Finance Documents.

#### Transferability

The Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable from time to time under local laws to which a Noteholder may be subject.

### **Where will the securities be traded?**

An application has been made to list the Notes on the corporate bond list of Nasdaq Stockholm, which application remains subject to Nasdaq Stockholm's approval.

**What are the key risks that are specific to the securities?**

Risks relating to the Notes being unsecured: The Notes constitute unsecured debt obligations of the Company, which entails that in case the Company is subject to insolvency proceedings, all of the Company's secured obligations must first be satisfied, potentially leaving insufficient assets in the Company to satisfy the claims of the Noteholders.

**Section 4 – Offering and admission to trading**

**Why is this prospectus being produced?**

This Prospectus has been prepared for the purposes of admitting the Notes to trading on the corporate bond list of Nasdaq Stockholm, in accordance with the Terms and Conditions, and there is no offer to acquire any Notes.

The Notes form part of the Company's debt financing on the capital market and this Prospectus has been prepared for the purposes of admitting the Notes to trading on the corporate bond list of Nasdaq Stockholm. The Company shall use the net proceeds from the issue of the Notes, estimated to SEK 479,775,000, for refinancing of existing debt (including the Existing Market Loan by way of exchanging Existing Notes for Notes or otherwise), debt service and general corporate purposes of the Group.

The Issuing Agent and/or its affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Issuing Agent and/or its affiliates having previously engaged, or engaging in the future, in transaction with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.



## **Risk Factors**

*This section features risk factors that are specific to the Issuer and the Notes. The assessment of the materiality of each risk factor based on the probability of their occurrence and the expected magnitude of their negative impact is disclosed by rating the relevant risk as low, medium or high.*

### **Risks relating to the Company and operations**

#### *Property related risks*

##### Rental income

The Group's financial position and result are dependent on rental income from tenants on its properties. The Group's rental income will thus be affected by vacancies of the properties and contracted rental levels. Decreased occupancy rates and rental rates will, regardless of reason, adversely affect the Group's earnings. Accordingly, if the Group's tenants do not renew or extend their lease agreements upon expiry, or if the contracted rental levels are reduced, the Group's earnings and cash flow and the Company's ability to make payments under the Notes could be adversely affected.

Risk rating: Medium.

##### Changes in the value of the Group's properties

The Group's properties are reported at fair value in the balance sheet and with changes in value in the profit and loss account. If the value of the Group's properties decreases, causing the Group to write down the value of its properties, it could result in a number of consequences, such as a breach of the covenants of the loans owed by the Group from time to time could occur, which in turn could result in such loans being accelerated prior to maturity and consequently affecting the liquidity of the Group. A material decrease of the market value of the Group's properties would also have a negative impact on the Group's possibilities to dispose of its properties without incurring losses, which in turn may have a negative effect on the Group's financial position and results and the Company's ability to make payments under the Notes.

Risk rating: Medium.

#### *Financing related risks*

##### Interest-rate risk

Other than equity, the Group's operations are mainly financed by loans from credit institutions and issue of notes. Interest expenses are therefore one of the Group's main cost items. Interest expenses are mainly affected by the level of market interest rates, credit institutions' margins and the Group's strategy regarding interest rate fixation periods.

A major part of the Group's credit agreements includes floating interest rates. Consequently, there is a risk that an increase in the interest rates would have a negative impact on the Group's financial position and results and the Company's ability to make payments under the Notes.

Risk rating: Medium.

## *Operational risks*

### Holding company risks

The Company is a diversified investment company, focusing on real estate investments and the Company's operations are mainly run through its 57 direct and indirect subsidiaries. The Company's most significant subsidiaries are Sveavalvet AB, Hedvig Eleonora Holding AB, Kvalitena Ragde Holding AB, Kvalitena Industrifastigheter Holding AB and Kvalitena Kylskåpet AB, which through their subsidiaries (totally 29 subsidiaries of the Company) accounted for approximately 66% of the Group's aggregate turnover during the Company's financial year ending on 31 December 2018.

The Company is hence dependent on receiving sufficient liquidity deriving from the operations of its subsidiaries to fulfil its obligations under the Notes. The subsidiaries are legally separated from the Company and their ability to make payments to the Company is restricted by the availability of funds, covenants in loan agreements, corporate restrictions and law. Furthermore, in the event of insolvency, all the creditors of an insolvent subsidiary would be entitled to payment in full before the Company, as a shareholder, would be entitled to any payments. Consequently, if one or more of the Company's most significant subsidiaries become unable to provide sufficient liquidity to the Company or become insolvent, it could have a negative impact on the Company's ability to fulfil its obligations under the Notes.

Risk rating: Low.

### **Risks relating to the Notes**

#### Risks relating to the Notes being unsecured

The Notes constitute unsecured debt obligations of the Company. If the Company is subject to any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, all of the Company's secured obligations must first be satisfied, potentially leaving insufficient assets in the Company for the Noteholders. As a result, the Noteholders may not recover any or full value. The Noteholders will only have an unsecured claim against the assets of the Company for the amounts under or in respect of the Notes, which means that the Noteholders normally would receive payment, *pro rata* with other unsecured non-priority creditors, after any priority creditors have been paid in full. Each investor should be aware that by investing in the Notes, they risk losing the entire, or part of, its investment in the event of the Company's liquidation, bankruptcy or company re-organisation.

Risk rating: High.

## **Statement of Responsibility**

The issuance of the Notes was authorised by a resolution taken by the board of directors of the Company on 16 May 2019, and was subsequently issued by the Company on 4 June 2019.

This Prospectus has been prepared in connection with the Company's application to list the Notes on the corporate bond list of Nasdaq Stockholm, in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, supplemented by the Commission Delegated Regulation (EU) 2019/980 and the Commission Delegated Regulation (EU) 2019/979.

This Prospectus has been approved by the Swedish Financial Supervisory Authority, as competent authority under the Regulation (EU) 2017/1129 of the European Parliament and of the Council. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129 of the European Parliament and of the Council. Such approval should not be considered as an endorsement of the Issuer.

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.

Stockholm, July 2019

**Kvalitena AB (publ)**

*The Board of Directors*

## The Notes in Brief

This section contains a general description of the Notes. It does not claim to be comprehensive or cover all details of the Notes. Potential investors should therefore carefully consider the Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Notes. The Terms and Conditions for the Notes can be found in the section Terms and Conditions. Terms defined in the Terms and Conditions are used with the same meaning in this overview unless it is otherwise explicitly understood from the context.

<b><i>The Issuer:</i></b>	Kvalitena AB (publ).
<b><i>The aggregate amount of the Notes:</i></b>	SEK 500,000,000.
<b><i>Number of Notes:</i></b>	500 Notes.
<b><i>ISIN:</i></b>	SE0012675155
<b><i>First Issue Date:</i></b>	4 June 2019
<b><i>Issue Price:</i></b>	99 per cent. of the Initial Nominal Amount.
<b><i>Nominal amount:</i></b>	The Notes will have a nominal amount of SEK 1,000,000 and the minimum permissible investment in relation to each issue of Notes is SEK 2,000,000.
<b><i>Status of the Notes:</i></b>	<p>The Notes are debt instruments (Sw. <i>skuldförbindelse</i>) of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act (Sw. <i>lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i>).</p> <p>The Notes are denominated in SEK and each Note is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with the Terms and Conditions.</p> <p>The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and will at all times rank <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except those obligations which are mandatorily preferred by law and except as otherwise provided in the Finance Documents.</p>
<b><i>Listing:</i></b>	Application has been made to list the Notes on the corporate bond list of Nasdaq Stockholm, which remains subject to Nasdaq Stockholm's approval.

	<p>The Notes will be connected with the account-based system of Euroclear Sweden AB, for the purpose of having the payment of interest and principal managed by Euroclear Sweden AB. The Notes have been registered for the Noteholders on their respective Securities Accounts and no physical notes have or will be issued.</p>
<b><i>Central Securities Depository (the “CSD”):</i></b>	<p>The Issuer’s central securities depository and registrar in respect of the Notes, from time to time, is initially, Euroclear Sweden AB.</p>
<b><i>Agent:</i></b>	<p>Nordic Trustee &amp; Agency AB (publ), or another party replacing it, as Agent, in accordance with the Terms and Conditions.</p>
<b><i>Issuing Agent:</i></b>	<p>ABG Sundal Collier ASA</p>
<b><i>Transferability:</i></b>	<p>The Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.</p>
<b><i>Interest on the Notes:</i></b>	<p>The Notes carry interest at a floating interest rate, amounting to three-month STIBOR plus 6.00 per cent. per annum. If STIBOR is below zero, STIBOR will be deemed to be zero.</p> <p>STIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the “<b>Benchmark Regulation</b>”) and is provided by the Financial Swedish Benchmarks AB. As of the date of this Prospectus, the Financial Swedish Benchmarks AB is not part of the register of benchmark administrators held by the European Securities and Markets Authority (“<b>ESMA</b>”) in accordance with article 36 of the Benchmark Regulation.</p>
<b><i>Interest Payment Dates:</i></b>	<p>5 January, 5 April, 5 July and 5 October of each year commencing on 5 July 2019. Interest will accrue from (but excluding) the Issue Date.</p>
<b><i>Return on Notes:</i></b>	<p>The revenue from the Notes is a function of the acquisition price of the Notes, the interest rate applicable to the Notes and brokerage fee and other costs in connection with acquiring the Notes.</p>

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The Issuer may redeem all, but not some only, of the outstanding Notes in full any time at an amount per Note equal to;

- (a) the Applicable Premium, if the Notes are redeemed during a period starting on the First Issue Date and ending on the day falling immediately prior to the First Call Date;
- (b) 101 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting on the First Call Date and ending on the day falling immediately prior to Final Maturity Date; and
- (c) 100 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting on the first Business Day falling thirty-nine (39) months after the Issue Date and ending on the day falling immediately prior to the Final Maturity Date, provided that the redemption is financed by way of one or more Market Loan issues and that each Noteholder is offered to participate in such issues;

in each case together with accrued but unpaid Interest.

The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

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***Redemption (call option):***

Upon the occurrence of a Change of Control Event or Listing Failure Event occurring, each Noteholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event or Listing Failure Event pursuant to Clause 10.1.2 (after which time period such right shall lapse) have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event or Listing Failure Event.

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***Redemption (put option):***

Means 4 December 2022 or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

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***Final Maturity Date:***

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***Change of Control Event:*** Means an event where any person (other than Dorco International B. V.) or group of persons acting in concert (i) becomes the owner, directly or indirectly, and has the right to vote as it sees fit for, more than fifty (50) per cent of the total number of shares and votes in the Issuer, or (ii) has the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

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The Terms and Conditions contain a number of covenants, subject to exceptions and qualifications, which restrict the ability of the Issuer and other Group Companies, including, *inter alia*:

- restrictions on making changes to the nature of their business; and
- limitations on disposal of assets.

The Terms and Conditions contain a financial covenant pursuant to which the equity of the Group as a percentage of the aggregate value of the Total Assets shall exceed 30% at all times.

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***Certain Covenants:***

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The Issuer shall use the proceeds from the issue of the Notes (both Initial Notes and Subsequent Notes), less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for refinancing of existing debt (including the Existing Market Loan by way of exchanging Existing Notes for Notes or otherwise), debt service and general corporate purposes of the Group.

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***Use of Proceeds:***

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The right to receive repayment of the principal of the Notes 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.

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***Prescription:***

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A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

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***Rights:***

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The Terms and Conditions, any non-contractual obligations arising out of or in connection therewith, and the Notes shall be governed by and construed in accordance with the laws of Sweden.

The Issuer submits to the non-exclusive jurisdiction of the District Court of Stockholm (Sw. *Stockholms tingsrätt*).

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***Governing law and dispute:***

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***Risk Factors:*** Investing in the Notes involves substantial risk 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 Notes.

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## Information About Kvalitena

### Company description

The Company was founded on 15 November 1995 in Sweden. The Company is primarily investing in companies owning residential, industrial and commercial properties. Kvalitena is a Swedish public limited liability company and is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen (1995:1554)*). The Company is registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) with registration number 556527-3314 and its registered name is Kvalitena AB (publ). Its trade name (*i.e.* the name used for marketing purposes) is Kvalitena, and the Company's legal entity identifier (LEI) is 549300242W79G00TNO59.

Kvalitena initiated its capital markets presence in 2013 through a SEK 350,000,000 note issue. Since then, Kvalitena and its affiliated companies have actively raised capital on both the equity and credit market through, *inter alia*, the IPO of D. Carnegie & Co (publ) (currently named Hembla AB (publ)) ("**D. Carnegie**"), the listings of Stendörren Fastigheter AB (publ) ("**Stendörren**") and A Group Of Retail Assets Sweden AB ("**Agora**"), note offerings in D. Carnegie, Stendörren and Sveavalvet AB (publ) ("**Sveavalvet**") and the issuance by Kvalitena of SEK 600,000,000 senior floating rate notes in 2015, which loan was refinanced by the SEK 800,000,000 senior floating rate notes issued by Kvalitena in 2017 (the "**Existing Market Loan**"). Kvalitena will use the proceeds from the issuance of the Notes (both Initial Notes and Subsequent Notes), less the costs and expenses incurred in connection with the issue of the Notes, for refinancing of existing debt (including the Existing Market Loan by way of exchanging Existing Notes for Notes or otherwise), debt service and general corporate purposes of the Group.

The Company's registered office is in the municipality of Lidköping, Sweden, and the Company's registered address is c/o Stendörren, Strandvägen 5A, 114 51 Stockholm, Sweden, and with telephone number +46 (0)8 121 317 00. The Company's website is [kvalitena.se](http://kvalitena.se) (please note that the information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus).

According to the Company's articles of association (§ 3), adopted on 1 April 2016, the Company's business shall be to manage property and other capital assets, develop companies who carry out sales of industrial and consumer goods within auto and communication, conducting education and consulting operations within business, computer and language areas and quality issues as well as purchase, sale and lease of airplanes and other aircrafts and to carry out other activities compatible therewith.

### Operations and main markets

Kvalitena is a diversified investment company with a strategic focus on real estate investments in the greater Stockholm region and the Company's operations are mainly run through its subsidiaries and affiliated companies. The Company's investment portfolio can be divided into real estate investments and listed and non-listed financial investments respectively. The Company's business mission is to generate long-term growth and enhancement of net asset value. The Company seeks to accomplish its business mission through the application of professional investment management and active ownership, thereby enabling a high long-term

risk-adjusted return. Kvalitena is an active owner working closely with management in its affiliates and partners contributing business development skills and financing expertise.

### **Share capital and ownership**

According to the Company's current Articles of Association adopted on 1 April 2016, the share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000. The number of shares shall be not less than 5,000 and not more than 20,000. As of the date of this Prospectus, the share capital amounts to SEK 500,000 divided into 5,000 shares which each have a nominal value of SEK 100. Each share has one voting right and all shares have equal rights to the Company's profits and assets. All outstanding shares issued by the Company have been fully paid.

Dorco International B.V. ("**Dorco**") is the largest shareholder of the Company. As per the date of this Prospectus, Dorco holds 90 per cent of the shares in the Company. Scanvik AB, Reg. No. 556705-1064 ("**Scanvik**"), owns the remaining 10 per cent of the Company's shares. Dorco is controlled by Mikael Andersson while Scanvik is controlled by Claes Wollter, member of the Board of Directors of Kvalitena.

As far as the Company is aware, there are no direct or indirect significant ownership or control over Kvalitena in addition to the shareholders set out above. In order to prevent shareholders abusing power due to the ownership structure and control of the Company, Kvalitena has *inter alia* adopted policies regarding closely related party transactions.

### **Group structure, associated companies and other main holdings**

Kvalitena is the parent company of the Group. The Company holds most of its real estate through subsidiaries and sub-subsidiaries and other holding companies and is consequently dependent on such companies for the generation of profits and cash flow to service its payment obligation under the Notes.

The Company has totally 57 direct and indirect subsidiaries of which 38 are wholly-owned.

The Company's most significant subsidiaries are Sveavalvet AB, Hedvig Eleonora Holding AB, Kvalitena Ragde Holding AB, Kvalitena Industrifastigheter Holding AB and Kvalitena Kylskåpet AB, which through their subsidiaries (totally 29 subsidiaries of the Company) accounted for approximately 66% of the Group's aggregate turnover during the financial year ending on 31 December 2018.

As per 31 March 2019, the Group's property portfolio comprised 50 properties with an aggregate book value of approximately SEK 4.7 billion. The Company owns real estate within logistics and light industrial, with an aggregate book value of approximately SEK 2.1 billion, of which 42% of the properties are located in the Mälardalen region and 58% are located in southern Sweden (Halmstad, Helsingborg, Klippan, Kristianstad and Malmö). The Company's most significant subsidiary in this respect is Hedvig Eleonora Holding AB, which through its subsidiaries owns eight residential properties located in Stockholm with an aggregate book value of approximately SEK 1.9 billion.

## **Borrowing and funding structure**

In addition to the Notes and the Existing Notes, the Group has entered into several credit agreements guaranteed by the Company, and secured by shares in Group Companies and mortgages in real properties of the Group. The credit agreements are on standard terms for real property financing and have floating interest rates in the majority of cases. As of the date of this Prospectus, the outstanding debt of the Group under these credit agreements amount to approximately SEK 2,3 billion, of which SEK 950 million are subject to fixed interest until 27 April 2022. The Group will continue to finance its operations through external debt.

Save for the issuance of the Notes, there has been no material changes in the Company's borrowing and funding structure since the last financial year.

## **Recent events**

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

## **Trend information and tendencies**

There has been no material adverse change in the prospects of the Company since the period to which its last audited financial report refers. There has not been any significant change in the financial performance of the Group since the period to which its unaudited interim report for the first quarter of the financial year 2019 refers.

Further, the Company is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects during the current financial year.

## **Significant change**

There has not been any significant change in the financial position of the Group since the period to which its unaudited interim report for the first quarter of the financial year 2019 refers.

Without prejudice to the above, it can be noted that since 31 March 2019;

- the Company has, through its associated company Kvalitena Danmark AB, divested all of its holdings in Admiral Capital A/S in connection with the public tender offer launched by CL Denmark Aps,
- the Company has acquired a real property in Umeå (through acquisition of the property-owning company) with a lettable area of approximately 18,000 m<sup>2</sup>, and
- the Company has divested a property portfolio comprised of 21 real properties, primarily located in the Mälardalen region, to EQT Real Estate, with the Company retaining a minority ownership stake.

## **Credit rating**

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

## **Board of Directors and Management**

### **Board of Directors**

The Company's Board of Directors consists of four ordinary board members, including the chairman, appointed for the period until the end of the annual general meeting to be held in 2020. The members of the Board of Directors, their position, other relevant assignments, selected previous assignments and ownership in the Company are set forth below. All board members can be contacted through the Company's registered address, c/o Stendörren, Strandvägen 5A, 114 51 Stockholm, Sweden.

#### **Ola Andersson (born 1953) – Chairman of the Board of Directors**

Other relevant assignments: CEO Dorco.

*Ownership in the Company: No ownership*

#### **Thomas Kjessler (born 1962) – Member of the Board of Directors**

Other relevant assignments: Board member in various subsidiaries within the Group.

Selected previous assignments: Chief lawyer SIAR-Bossard AB.

*Ownership in the Company: No ownership*

#### **Seth Lieberman (born 1961) – Member of the Board of Directors**

Other relevant assignments: Chairman Stendörren.

Selected previous assignments: Senior positions at UBS Investment Bank, Hypo Real Estate, Lehman Brothers, Credit Suisse and GE Capital.

*Ownership in the Company: No ownership*

#### **Claes Wollter (born 1942) – Member of the Board of Directors**

Other relevant assignments: Board member and owner Scanvik, Board member Portalben B.V.

*Ownership in the Company: 10% (indirectly through Scanvik)*

### **Management**

The members of the Company's management, their position, other relevant assignments, selected previous assignments and ownership in the Company are set forth below. All members of the Company's management can be contacted through the Company's registered address, c/o Stendörren, Strandvägen 5A, 114 51 Stockholm, Sweden.

#### **Knut Pousette (born 1972) – Chief Executive Officer**

Other relevant assignments: Chairman or Board member in all subsidiaries of the Company.

Selected previous assignments: CEO Storholmen förvaltning AB, management and strategy consultant Klaraberg Business Advisors AB, CEO Gut Falkenhagen GbR, Board member Stendörren and D. Carnegie, Chairman Agora.

*Ownership in the Company: No ownership*

#### **Jonas Vestin (born 1978) – Chief Financial Officer**

Other relevant assignments: Various board assignments in subsidiaries.

Selected previous assignments: CFO Fondex, Project Manager Savills Sweden.

*Ownership in the Company: No ownership*

#### **Hans Lycketorp (born 1962) – Head of Transactions**

Other relevant assignments: None

Selected previous assignments: Business Development Director and member of management group Jones Lang LaSalle.

*Ownership in the Company: No ownership*

### **Information on conflicts of interests**

There are no conflicts of interest or potential conflicts of interests between the duties of the members of the Board of Directors and the members of management towards the Company and their private interests and/or other duties. However, several members of the Board of Directors have certain financial interests in the Company as a consequence of their direct and/or indirect holdings of shares in the Company.

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

The Issuing Agent and/or its affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Issuing Agent and/or its affiliates having previously engaged, or engaging in the future, in transaction with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

## Financial Information

### Selected historical financial information

The selected historical financial information presented below regarding financial years 2018 and 2017 is derived from the Group's consolidated annual reports for the financial years 2018 and 2017. The Group's consolidated annual reports for the financial years 2018 and 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Further, the consolidated financial statements of the Group have been prepared in accordance with Swedish law by application of the Swedish Financial Reporting Board's, RFR1 Supplementary Accounting Rules for Groups. The Company applies the same accounting principles as the Group unless otherwise is stated in the Company's annual report.

The selected historical financial information presented below regarding the period 1 January to 31 March 2019 and 2018 is derived from the Group's unaudited interim report for the first quarter of the financial year 2019 and 2018 respectively, which have been prepared in accordance with IAS 34 Interim Financial Reporting and which have not been reviewed or audited by the Group's auditors.

The Group's consolidated annual reports for the financial years 2018 and 2017 have been audited. Other than the auditing of the Group's financial statements for 2018 and 2017, the Group's auditors have not audited or reviewed any part of this Prospectus. All financial reports are available on the Company's website ([kvalitena.se](http://kvalitena.se)) and can also be obtained from the Issuer in hard copy.

The information below shall be read together with the Group's consolidated annual reports for the financial years 2018 and 2017 and the Group's unaudited interim report for the first quarter of the financial year 2019 and 2018 which are – but only with respect to the sections listed under subsection “*Documents incorporated by reference*” under section “*Legal and Supplementary information*” - incorporated into this Prospectus by reference.

*Consolidated income statement for the Group*

	2019	2018	2018	2017
TSEK	jan - march	jan - march	jan - dec	jan - dec
Net sales	52 510	55 177	235 536	179 285
Other income	3	63	1 388	7 527
	<b>52 513</b>	<b>55 240</b>	<b>236 924</b>	<b>186 812</b>
Property costs	-13 638	-16 990	-66 497	-45 620
Personnel costs	-8 110	-8 017	-31 586	-33 464
Other external costs	-16 095	-17 716	-98 943	-90 206
Depreciation	-716	-675	-2 780	-3 334
Result from shares in joint ventures & Associated Companies	-25 216	-60 220	12 422	318 588
	<b>-63 775</b>	<b>-103 618</b>	<b>-187 384</b>	<b>145 964</b>
<b>Operating profit/loss</b>	<b>-11 262</b>	<b>-48 379</b>	<b>49 540</b>	<b>332 776</b>
<b>Net Financial Items</b>	<b>-47 818</b>	<b>-42 682</b>	<b>-239 296</b>	<b>-225 307</b>
<b>Profit/loss after financial items</b>	<b>-59 080</b>	<b>-91 061</b>	<b>-189 756</b>	<b>107 469</b>
Change in value of investment properties	2 113	-1 714	315 770	370 519
Change in value of financial instruments	-	2	21	-229
<b>Profit/loss before tax</b>	<b>-56 966</b>	<b>-92 774</b>	<b>126 035</b>	<b>477 759</b>
Tax on profit for the period	-2 989	-2 775	-64 734	-99 593
<b>Profit/loss for the period</b>	<b>-59 956</b>	<b>-95 548</b>	<b>61 301</b>	<b>378 166</b>
<b>Other comprehensive income</b>	<b>133 316</b>	<b>1 536</b>	<b>107 759</b>	<b>-68 105</b>
<b>Total comprehensive income for the period</b>	<b>73 360</b>	<b>-94 012</b>	<b>169 060</b>	<b>310 061</b>

## Consolidated balance sheet for the Group

TSEK	2019-03-31	2018-03-31	2018-12-31	2017-12-31
<b>Assets</b>				
<i>Tangible fixed Assets</i>				
Investment properties	4 729 217	4 236 580	4 253 779	4 208 251
Leasehold	153 531	-	-	-
Tangible fixed Assets	15 029	16 920	15 577	32 258
Advances in tangible fixed assets	-	12 074	-	4 500
	<b>4 897 777</b>	<b>4 265 574</b>	<b>4 269 356</b>	<b>4 245 009</b>
<i>Financial Fixed Assets</i>				
Participations in joint ventures & associated Companies	883 133	1 537 289	889 808	1 599 732
Receivables from Group Companies	982 122	868 320	959 395	837 029
Receivables from joint ventures & associated Companies	459 911	223 766	392 809	214 889
Other long-term securities holdings	610 849	375 971	453 941	351 783
Other long-term receivables	73 207	734	29 446	711
	<b>3 009 222</b>	<b>3 006 081</b>	<b>2 725 399</b>	<b>3 004 144</b>
<i>Deferred tax receivable</i>	31 235	1 547	30 987	1 972
<b>Total non-current assets</b>	<b>7 938 234</b>	<b>7 273 201</b>	<b>7 025 742</b>	<b>7 251 125</b>
<i>Current assets</i>				
Accounts receivable	59 999	65 165	33 564	67 891
Receivables from Group Companies	724	-	724	-
Receivables from joint ventures & associated Companies	11 886	103 785	5 979	99 246
Other receivables	136 957	103 038	104 372	113 854
Prepaid expenses and accrued income	77 648	62 931	58 495	42 906
Liquid Funds	54 396	79 500	257 636	83 605
<b>Total Current Assets</b>	<b>341 610</b>	<b>414 419</b>	<b>460 770</b>	<b>407 502</b>
<b>TOTAL ASSETS</b>	<b>8 279 844</b>	<b>7 687 620</b>	<b>7 486 512</b>	<b>7 658 627</b>
<b>TSEK</b>	<b>2019-03-31</b>	<b>2018-03-31</b>	<b>2018-12-31</b>	<b>2017-12-31</b>
<b>Equity and liabilities</b>				
<i>Equity</i>				
Share capital	500	500	500	500
Reserves	252 418	12 878	119 102	11 343
Retained Earnings incl. Profit for the year	3 112 638	3 023 670	3 173 825	3 122 374
<b>Equity attributable to shareholders of the parent compar</b>	<b>3 365 556</b>	<b>3 037 049</b>	<b>3 293 427</b>	<b>3 134 217</b>
Non-controlling interest	83 521	162 935	84 440	159 780
<b>Total equity</b>	<b>3 449 077</b>	<b>3 199 984</b>	<b>3 377 867</b>	<b>3 293 997</b>
<i>Long-term liabilities</i>				
Interest-bearing liabilities	2 642 285	3 149 279	2 606 958	3 111 286
Other long-term liabilities	16 043	5 342	16 893	5 121
Financial Leasing	153 531	-	-	-
Deferred tax liability	326 410	223 830	287 905	222 173
<b>Total Non-current liabilities</b>	<b>3 138 269</b>	<b>3 378 451</b>	<b>2 911 756</b>	<b>3 338 580</b>
<i>Current liabilities</i>				
Interest-bearing liabilities	1 414 598	896 425	973 597	758 546
Financial derivatives	-	3 483	-	5 418
Accounts payable	58 536	45 703	33 538	54 557
Liabilities to associated companies and group companies	21 024	25 332	22 524	30 057
Liabilities	12 862	11 329	6 816	8 164
Other liabilities	55 522	37 926	39 218	62 471
Accrued expenses and deferred income	129 956	88 988	121 196	106 837
<b>Total Current Liabilities</b>	<b>1 692 498</b>	<b>1 109 185</b>	<b>1 196 889</b>	<b>1 026 050</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8 279 844</b>	<b>7 687 620</b>	<b>7 486 512</b>	<b>7 658 627</b>



*Consolidated cash flow statement for the Group*

	2019	2018	2018	2017
TSEK	jan - march	jan - march	jan - dec	jan - dec
<b>Cash flow from operating activities</b>				
Operating income	-11 262	-48 378	49 540	332 776
Realised change in value of derivatives	-	-1 934	-5 397	-313 357
Adjustments for items not included in cash flow	25 960	60 887	-9 599	-7 624
Interest received	1 407	717	1 874	13 377
Interest paid	-33 211	-48 141	-224 171	-186 451
Income tax paid	1 227	2 040	-4 624	3 980
<b>Cash flow from operating activities before changes in working capital</b>	<b>-15 879</b>	<b>-34 809</b>	<b>-192 377</b>	<b>-157 299</b>
Change in operating receivables	-67 140	-6 961	5 521	-31 258
Change in operating liabilities	9 527	-22 483	22 410	88 470
<b>Cash flow from operating activities</b>	<b>-73 492</b>	<b>-64 253</b>	<b>-164 446</b>	<b>-100 087</b>
<b>Investment</b>				
Investment in Investment properties	-57 847	-30 044	-166 538	-327 415
Acquisition of investment properties via subsidiaries	-385 002	-	-888 875	-628 105
Other investments in tangible fixed assets	-	-7 793	-1 067	-27 681
Sale of investment properties/Group Companies	-	1	324 460	7 412
Sales of other fixed assets	44	-	14	6 050
Acquisition of shares in joint venture & associated Companies	-24 262	-24 931	-69 885	-84 223
Sale of shares in joint venture & associated Companies	-	-	777 111	828 424
Investments in financial fixed assets	-135 877	-53 788	-315 084	-1 012 719
Disposal and repayment of financial fixed assets	3 000	1 584	82 844	331 970
Dividend	1	4 461	19 846	22 950
<b>Cash flow from investing activities</b>	<b>-599 943</b>	<b>-110 510</b>	<b>-237 174</b>	<b>-883 337</b>
<b>Financing activities</b>				
Dividend	-	-	-3 000	-
Borrowings	536 242	252 695	1 234 138	3 009 076
Amortization and redemption of loans	-66 047	-82 036	-589 336	-2 178 245
Additions and divestments of shares to non-controlling interests	-	-	-66 151	1 230
<b>Cash flow from financing activities</b>	<b>470 195</b>	<b>170 659</b>	<b>575 651</b>	<b>832 061</b>
<b>Cash flow for the period</b>	<b>-203 240</b>	<b>-4 104</b>	<b>174 031</b>	<b>-151 363</b>
Liquid funds at the beginning of the year	257 636	83 605	83 605	234 968
Cash flow for the period	-203 240	-4 104	174 031	-151 363
<b>Liquid funds at end of period</b>	<b>54 396</b>	<b>79 500</b>	<b>257 636</b>	<b>83 605</b>

## **Auditor**

The Company's auditor is presently the accounting firm Rådek AB with auditor Johan Rudengren as auditor in charge (the "**Auditor**"). Johan Rudengren was elected as auditor of the Company at the annual general meeting held on 29 June 2018. The Auditor was re-elected at the annual general meeting 2019 for the time until the end of the annual general meeting 2020. Johan Rudengren can be contacted at Rådek AB, Rademachergatan 6, Box 4082, 630 04 Eskilstuna. Johan Rudengren is a member of FAR SRS. During the Company's financial year 2017, before Johan Rudengren was elected, the Company's auditor was the accounting firm Mazars SET Revisionsbyrå AB with Martin Dagermark and Ann-Charlotte Nordin as auditors in charge (both members of FAR SRS) ("**Mazar**"). Martin Dagermark can be contacted at Nygatan 35 C, 632 20 Eskilstuna and Ann-Charlotte Nordin can be contacted at Box 4211, 203 13 Malmö.

The Group's consolidated annual reports for the financial year 2018 was audited by the Auditor and the Group's consolidated annual reports for the financial year 2017 was audited by Mazar.

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

The most recent audited financial information has been taken from the Group's consolidated financial statements for the financial year ended 31 December 2018, which was published on 28 June 2019 on the Company's website [www.kvalitena.se](http://www.kvalitena.se).

## **Legal and Supplementary Information**

### **Material agreements**

Other than the documents relating to the Notes and the Existing Notes, the Group has entered into several credit agreements guaranteed by the Company, and secured by shares in Group Companies and mortgages in real properties of the Group. The credit agreements are on standard terms for real property financing and have floating interest rates in the majority of cases. As of the date of this Prospectus, the outstanding debt of the Group under these credit agreements amount to approximately SEK 2,9 billion, of which SEK 950 million are subject to fixed interest until 27 April 2022.

Except as outlined above, no Group company is party to any material agreements outside of the ordinary course of business which could result in an entity within the Group having a right or an obligation that could materially affect the Company's ability to meet its obligations under the Notes to the Noteholders.

### **Disputes and litigation**

During the past 12 months, the Company has not been part in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened and of which the Company is aware) which may have, or have had in the past 12 months, a significant effect on the financial position or profitability of the Company and its consolidated subsidiaries as a whole.

### **Listing costs**

The aggregate cost for the Notes' admission to trading is estimated not to exceed SEK 150,000.

### **Representation of the Noteholders**

The Terms and Conditions stipulates the provisions for the Agent's representation of the Noteholders. The Terms and Conditions are available on the Company's website, [kvalitena.se](http://kvalitena.se).

### **Certain tax issues in Sweden**

The tax legislation of an investor's member state and of the Company's country of incorporation may have an impact on the income received from the Notes.

The following is a summary of certain tax issues that may arise as a result of holding Notes. The summary is based on Swedish tax legislation in force at the date of the Prospectus and is intended only as a general information for Noteholders that are resident in Sweden for tax purposes (Sw. *obegränsat skattskyldig*), unless otherwise stated below. This summary does not purport to be, nor shall it be used as, tax advice, and does not purport to be a comprehensive description of all tax considerations. For example, the below summary does not cover Notes held by unlimited partnerships or Notes held on investment savings accounts (Sw. *investeringssparkonton*), and certain tax issues may arise in relation to certain investors, such as insurance companies and investment companies. The taxation of each investor depends on the specifics of such investor. Each investor in the Notes should therefore consult tax advisers in order to receive information on the specific tax issues applicable to it, including the effects of foreign tax legislation and tax treaties that may apply.

### *Taxation of individuals resident in Sweden*

Individuals (Sw. *fysiska personer*) and estates of a deceased person (Sw. *dödsbo*) which are resident in Sweden for tax purposes (Sw. *obegränsat skattskyldiga*) are taxed on all their capital income in Sweden, such as interest and capital gain, in the income type capital (Sw. *inkomstslaget kapital*) at a flat tax rate of 30%. Tax in relation to divestment of Notes occurs when a binding agreement is entered into whereas interest payments are taxed when they become disposable.

Capital gains or losses in connection with divestment of the Notes are calculated as the difference between the sales proceeds, less the sales expenditure, and the tax acquisition costs (Sw. *skattemässig omkostnadsbelopp*). The tax acquisition cost is calculated according to the so-called average method (Sw. *genomsnittsmetoden*), implying that the tax acquisition cost is calculated as the average of the actual acquisition cost for all of the Notes of the same type and class.

Swedish preliminary tax is normally withheld when an amount which from a Swedish tax perspective is treated as interest, is paid by a legal entity (Sw. *juridisk person*) that is resident in Sweden to an individual or an estate of a deceased person (Sw. *dödsbo*) that is resident in Sweden. In addition, Swedish preliminary tax is normally withheld on other form of returns on notes (however not on capital gains), if such return is paid out together with such interest payment mentioned above. Preliminary tax is normally withheld by Euroclear Sweden or, in relation to Notes registered with a nominee, by such nominee.

### *Corporate taxation*

All income in Swedish limited liability companies, including any capital gains and dividends that are taxable, are treated as business income and is subject to a flat tax rate. The current corporate tax rate is 21.4%.

Capital gains and losses for Swedish limited liability companies are calculated in the same manner as for individuals. Capital losses on notes are normally deductible.

Interest shall be recorded as income in the taxation year to which it, according to generally accepted accounting principles, relates.

### *Taxation of non-residents in Sweden*

Noteholders that are non-resident in Sweden for tax purposes (Sw. *begränsat skattskyldig*) and which are not engaged in any business conducted from a permanent establishment in Sweden are normally not taxed in Sweden for capital gains or interest payments received in relation to notes. Swedish withholding tax is further not applicable in relation to such Noteholders.

In accordance with a specific tax rule, individuals who are non-resident in Sweden for tax purposes may be subject to Swedish capital gains tax when divesting certain financial instruments, if such person, at any time during the calendar year that the divestment occurs or during any of the ten years preceding the divestment, has been resident or lived permanently in Sweden. The applicability of this rule may however be limited by an applicable tax treaty between Sweden and other countries.

## Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of the following documents which are incorporated by reference and available in electronic format on the Company's website, [kvalitena.se](http://kvalitena.se), during the period of validity of this Prospectus:

- the Group's interim report for the first quarter of the financial year 2019 ([Q1 2019](#)):
  - consolidated income statement, page 4;
  - consolidated balance sheet, pages 5-6;
  - consolidated statement of changes in equity, page 7; and
  - consolidated cash flow statement, page 8.
- the Group's interim report for the first quarter of the financial year 2018 ([Q1 2018](#)):
  - consolidated income statement, page 4;
  - consolidated balance sheet, pages 5-6;
  - consolidated statement of changes in equity, page 7; and
  - consolidated cash flow statement, page 8.
- the Group's consolidated financial statements, including the auditor's report, for the financial year 2018 ([FY 2018](#)):
  - consolidated income statement, page 9;
  - consolidated balance sheet, page 11;
  - consolidated statement of changes in equity, page 13;
  - consolidated cash flow statement, page 15;
  - notes, pages 21-57; and
  - the audit report, pages 59-63.
- the Group's consolidated financial statements, including the auditor's report, for the financial year 2017 ([FY 2017](#)):
  - consolidated income statement, page 9;
  - consolidated balance sheet, pages 12-13;
  - consolidated statement of changes in equity, page 14;
  - consolidated cash flow statement, page 16;
  - notes, pages 22-63; and
  - the audit report, pages 65-71.

## Documents available for inspection

Hard copies of the following documents are available for review during the period of validity of this Prospectus at the Company's head office at c/o Stendörren, Strandvägen 5A, 114 51 Stockholm, Sweden, during ordinary weekday office hours:

- the Company's articles of association;
- the certificate of registration of the Company;
- this Prospectus;

- the documents listed above under “*Documents incorporated by reference*”; and
- the financial statements and audit reports for the financial year 2018 and for the financial year 2017 for each company within the Group (to the extent such Group companies were incorporated during 2018 or 2017 and have issued financial statements and audit reports for such financial years).

## Terms and Conditions of the Notes

**TERMS AND CONDITIONS FOR**

**KVALITENA AB (PUBL)**

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**SEK 800,000,000**

**SENIOR FLOATING RATE NOTES**

**ISIN: SE0012675155**

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**29 MAY 2019**

No action is being taken that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

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## 1 Definitions and construction

### 1.1 Definitions

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

“**Account Bank**” means Swedbank AB (publ).

“**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 Noteholder has opened a Securities Account in respect of its Notes.

“**Accounting Principles**” means generally accepted accounting principles, standards and practices in Sweden, including international financial reporting standards (IFRS), if applicable.

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

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i).

For the purposes of this definition, “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Agency Agreement**” means the agency agreement entered into on or before 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 Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Applicable Premium**” means an amount equal to:

- (a) the present value on the relevant record date of 101 per cent. of the outstanding Nominal Amount as if such payment originally should have taken place on the First Call Date; plus
- (b) the present value on the relevant record date of all remaining scheduled interest payments on the Notes until the First Call Date (assuming that the

Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in effect on the date on which the applicable notice of redemption is given) (but excluding accrued but unpaid Interest up to the relevant Redemption Date),

each calculated by using a discount rate of 50 basis points and where "relevant record date" shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

**"Business Day"** means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (*midsommarafton*), Christmas Eve (*julafton*) and New Year's Eve (*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.

**"Change of Control Event"** means an event where any person (other than Dorco International B. V.) or group of persons acting in concert (i) becomes the owner, directly or indirectly, and has the right to vote as it sees fit for, more than fifty (50) per cent of the total number of shares and votes in the Issuer, or (ii) has the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

For the purposes of this definition, **"acting in concert"** means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer.

**"Compliance Certificate"** means a certificate, substantially in the form set out in Schedule 2 (*Form of Compliance Certificate*) and reasonably satisfactory to the Agent, signed by the Issuer certifying:

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event 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, is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) the percentage and calculation in respect of the Equity Ratio; and
- (c) in relation to the Test Date being each 31 December, compliance with the undertaking set out in Clause 11.3.2 regarding Real Estate Related Investments and Tangible Assets.

**"CSD"** means the Issuer's central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-

8074, P.O. Box 191, 101 23 Stockholm, Sweden or another party replacing it, as CSD, in accordance with these Terms and Conditions.

**“CSD Regulations”** means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Notes from time to time.

**“Equity Ratio”** means, at any time, the equity of the Group as a percentage of the aggregate value of the Total Assets (in each case calculated in accordance with the Accounting Principles and in line with the principles for the audited financial statements).

**“Event of Default”** means an event or circumstance specified in Clause 15.1.

**“Existing Market Loan”** means the SEK 800,000,000 Market Loan raised by the Issuer on 30 March 2017 with ISIN SE0009664949.

**“Existing Notes”** means the outstanding notes under the Existing Market Loan.

**“Final Maturity Date”** means 4 December 2022 or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

**“Finance Documents”** means these Terms and Conditions, the Agency Agreement any Compliance Certificate and any other document designated as a “Finance Document” by the Agent and the Issuer.

**“Financial Indebtedness”** means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability), provided that any existing or future leases which would at the First Issue Date have been treated as operating leases, shall not be considered as being finance leases due to any subsequent change in the Accounting Principles;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);

- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

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

**“Financial Year”** means the annual accounting period of the Group.

**“First Call Date”** means the date falling thirty-six (36) months after the First Issue Date.

**“First Issue Date”** means 4 June 2019.

**“Force Majeure Event”** has the meaning set forth in Clause 27.1.

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

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

**“Insolvent”** means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with all or substantially all of its creditors (other than the Noteholders and creditors of secured debt) 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 Notes calculated in accordance with Clauses 8.1 to 8.3.

**“Interest Payment Date”** means 5 January, 5 April, 5 July and 5 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 5 July 2019 and the last Interest Payment Date shall be the relevant Redemption Date.

**“Interest Period”** means (i) in respect of the first Interest Period, the period from (but excluding) the 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 3-month STIBOR plus 6 per cent. *per annum*.

**“Issuer”** means Kvalitena AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556527-3314.

**“Issuing Agent”** means ABG Sundal Collier ASA, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**“Listing Failure Event”** means (i) a failure to list the Notes on NASDAQ Stockholm within sixty (60) calendar days after the relevant Issue Date and (ii) in case a successful listing has occurred, that the Notes cease to be listed on NASDAQ Stockholm or another Regulated Market (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 Notes in close connection to the redemption of the Notes).

**“Market Loan”** means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes), which is or is intended by the Issuer to be admitted for trading on a Swedish or foreign Regulated Market or MTF.

**“Material Adverse Effect”** means material adverse effect on:

- (a) the ability of the Issuer to perform and comply with its obligations under any of the Finance Documents; or
- (b) the validity or enforceability of any of the Finance Documents.

**“MTF”** means any Multilateral Trading Facility (as defined in the Swedish Securities Markets Act).

**“NASDAQ Stockholm”** means NASDAQ Stockholm AB, Reg. No. 556420-8394.

**“Nominal Amount”** has the meaning set forth in Clause 2.3.

**“Note”** means a debt instrument (*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 Notes and any Subsequent Notes.

**“Noteholder”** means the person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Note.

**“Noteholders’ Meeting”** means a meeting among the Noteholders held in accordance with Clause 18 (*Noteholders’ Meeting*).

**“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.

**“Real Estate Related Investments”** means any investment related to acquisition, development, ownership, renovation or management of real properties and site leasehold rights and acquisition of shares or other interests in entities directly or indirectly carrying out (or intending to carry out) such activities.

**“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 Noteholders is to be made under Clause 16 (*Distribution of proceeds*), or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

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

**“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.

**“STIBOR”** means:

- (a) the applicable percentage rate *per annum* displayed on NASDAQ Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in 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 Notes”** means any Notes issued after the First Issue Date on one or more occasions.

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

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

“**Tangible Assets**” means real properties and site leasehold rights and shares or other interests in entities directly or indirectly controlling such assets through ownership or otherwise and any shares in entities admitted for trading on a Swedish or foreign Regulated Market or MTF.

“**Test Date**” means 31 March, 30 June, 30 September and 31 December each year.

“**Total Assets**” means, at any time, the total assets of the Group calculated in accordance with the Accounting Principles and in line with the principles for the audited financial statements.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 19 (*Written Procedure*).

## 1.2 **Construction**

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive, 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;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

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

1.2.3 When ascertaining whether a limit or threshold specified in 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 (*Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.

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

1.2.5 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## **2 Status of the Notes**

2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.

2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.

2.3 The nominal amount of each Initial Note is SEK 1,000,000 (the “**Nominal Amount**”). The aggregate maximum nominal amount of the Initial Notes as at the First Issue Date is SEK 500,000,000.

2.4 Provided that no Event of Default is continuing or would result from such issue, the Issuer may, on one or several occasions, issue Subsequent Notes. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes. The issue price of the Subsequent Notes may be set at a discount or at a premium compared to the Nominal Amount. The maximum aggregate nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 800,000,000. Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 8 (*Interest*), and otherwise have the same rights as the Initial Notes

2.5 The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory law and except as otherwise provided in the Finance Documents.

2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.



- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

### **3 Use of proceeds**

The Issuer shall use the proceeds from the issue of the Notes (both Initial Notes and Subsequent Notes), less the costs and expenses incurred by the Issuer in connection with the issue of the Notes, for refinancing of existing debt (including the Existing Market Loan by way of exchanging Existing Notes for Notes or otherwise), debt service and general corporate purposes of the Group.

### **4 Conditions for disbursement**

- 4.1 The Issuer shall provide to the Agent, prior to the First Issue Date, the documents and other evidence set out in Schedule 1 Part I (*Conditions Precedent relating to Initial Notes*). The Issuing Agent shall pay the gross proceeds (if any) from the issuance of the Initial Notes to the Issuer on the later of (i) the First Issue Date and (ii) the date on which the Agent notifies the Issuing Agent that it has received the documents and other evidence set out in Schedule 1 Part I (*Conditions Precedent relating to Initial Notes*).

- 4.2 The Issuer shall provide to the Agent, prior to the Issue Date for any Subsequent Notes, the documents and other evidence set out in Schedule 1 Part II (*Conditions Precedent relating to Subsequent Notes*). The Issuing Agent shall pay the gross proceeds from the issuance of any Subsequent Notes to the Issuer on the later of (i) the relevant Issue Date and (ii) the date on which the Agent notifies the Issuing Agent that it has received the documents and other evidence set out Schedule 1 Part II (*Conditions Precedent relating to Subsequent Notes*) in respect of such Subsequent Notes.

- 4.3 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 or 4.2 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation. The Agent is not responsible for (and does not) review the documentation and evidence pursuant to Clause 4.1 or 4.2 from a legal or commercial perspective of the Noteholders.

- 4.4 The Agent shall confirm to the Issuing Agent when the conditions in Clause 4.1 or 4.2, as the case may be, have been satisfied.

### **5 Notes in book-entry form**

- 5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be

registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.

5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

5.4 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 Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

## **6 Right to act on behalf of a Noteholder**

6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.

6.2 A Noteholder may issue one or several powers of attorney to third parties or provide proof of authorisation to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.

6.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## **7 Payments in respect of the Notes**

7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder 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.

- 7.2 If a Noteholder 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. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 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.
- 7.5 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**

- 8.1 Each Initial Note carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note will carry Interest at the Interest Rate applied to the Nominal Amount 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.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it under the Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (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 Notes**

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note 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 Purchase of Notes by the Issuer**

The Issuer may, subject to applicable law, at any time and at any price purchase Notes on the market or in any other way. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

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

9.3.1 The Issuer may redeem all, but not some only, of the outstanding Notes in full at any time at an amount per Note equal to:

- (a) the Applicable Premium, if the Notes are redeemed during a period starting on the First Issue Date and ending on a day falling immediately prior to the First Call Date;
- (b) 101 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting on the First Call Date and ending on the day falling immediately prior to the Final Maturity Date; and
- (c) 100 per cent. of the Nominal Amount, if the Notes are redeemed during a period starting on the first Business Day falling thirty-nine (39) months after the Issue Date and ending on the day falling immediately prior to the Final Maturity Date, provided that the redemption is financed by way of one or more Market Loan issues and that each Noteholder is offered to participate in such issues;

in each case together with accrued but unpaid Interest.

9.3.2 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent, in each case calculated from the effective date of the notice. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.

9.4 **Early redemption due to illegality (call option)**

9.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

9.4.2 The Issuer may give notice of redemption pursuant to Clause 9.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date

9.5 **Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)**

9.5.1 Upon the occurrence of a Change of Control Event or Listing Failure Event occurring, each Noteholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event or Listing Failure Event pursuant to Clause 10.1.2 (after which time period such right shall lapse) have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event or Listing Failure Event.

9.5.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the Record Date on which a person shall be registered as a Noteholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.5.1.

9.5.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer may comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.

9.5.4 Any Notes repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained, sold or cancelled.

## **10 Information to Noteholders**

### **10.1 Information from the Issuer**

10.1.1 The Issuer shall make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event within five (5) months after the end of each financial year, its audited consolidated financial statements for that financial year prepared in accordance with the Accounting Principles;
- (b) 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, its unaudited consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period prepared in accordance with the Accounting Principles;
- (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Notes cancelled by the Issuer; and
- (d) any other information required by the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

10.1.2 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a Listing Failure Event. Such notice may be given in advance of the occurrence of a Change of Control Event, and be conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.

10.1.3 When the financial statements and other information are made available to the Noteholders pursuant to Clause 10.1.1, the Issuer shall send copies of such financial statements and other information to the Agent. Together with the financial statements, the Issuer shall submit to the Agent a Compliance Certificate attaching copies of any notices sent to the Regulated Market on which the Notes are admitted to trading.

### **10.2 Information from the Agent**

The Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

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

10.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

10.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

## 11 **General Undertakings**

### 11.1 **Disposals**

The Issuer shall not, and shall ensure that no other Group Company will, enter into a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or a substantial part of the assets or operations of the Group where such disposal is reasonably likely to have an adverse effect on the ability of the Issuer to perform its obligations under the Finance Documents.

### 11.2 **Restrictions regarding pledge of assets**

The Issuer shall not create or permit to subsist any Security over any of its assets for any Market Loan raised by the Issuer.

### 11.3 **Change of Business**

11.3.1 The Issuer shall procure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on at the date of the Terms and Conditions.

11.3.2 The Issuer shall procure that as an aggregate during each Financial Year:

- (a) not less than 85% of all investments (based on the gross amounts applied towards such investments) made by the Issuer are Real Estate Related Investments; and
- (b) the Group's consolidated book value of Tangible Assets is not less than SEK 4,000,000,000.

### 11.4 **Pari Passu ranking**

The Issuer shall ensure that at all times its obligations under the Terms and Conditions rank at least *pari passu* with the claims of all its unsubordinated and unsecured creditors, except those whose claims are mandatorily preferred by laws of general application.

#### 11.5 **Term of Market Loans**

The Issuer shall not raise any new Market Loan where such Market Loan has a final maturity date falling before the Final Maturity Date or which otherwise is scheduled to be repaid before the Final Maturity Date.

#### 11.6 **Dividends**

The Issuer shall not declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital attributable to common shares (or any class of its share capital attributable to common shares) ("**Restricted Payment**") unless, at the time of such payment, the aggregate amount of all Restricted Payments in any fiscal year does not exceed the lower of (i) SEK 30,000,000 or (ii) fifty (50) per cent. of the Group's consolidated net profit for the previous Financial Year.

### 12 **Financial undertakings**

12.1 The Equity Ratio shall exceed 30% at all times.

12.2 The financial covenant in Clause 12.1 will be measured on each Test Date and reported in each Compliance Certificate.

12.3 When determining if an issue of Subsequent Notes would lead to an Event of Default, the Equity Ratio shall be measured using the financial statements most recently delivered pursuant to Clause 10.1 (a) or (b) (*Information from the Issuer*) adjusted by adding the effects of such issue.

### 13 **Admission to trading**

13.1 The Issuer shall use its best efforts to ensure that the Notes are admitted to trading on the corporate bond list of NASDAQ Stockholm within thirty (30) days after the relevant Issue Date, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

13.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

### 14 **Undertakings relating to the Agency Agreement**

14.1 The Issuer shall, in accordance with the Agency Agreement:

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



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

14.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders (provided that any change in fees payable to the Agent shall not be considered detrimental to the interest of the Noteholders).

## **15 Acceleration of the Notes**

15.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) 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 Noteholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 15.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes 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, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer or any other person (other than the Agent) does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) above), unless the non-compliance:
  - (i) is capable of remedy; and
  - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (c) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Noteholders;
- (d) any corporate action, legal proceedings or other procedure or step other than vexatious or frivolous and as disputed in good faith and discharged within twenty (20) Business Days is taken in relation to:

- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization of any Group Company, other than a solvent liquidation or reorganisation of any Group Company other than the Issuer;
  - (ii) a composition, compromise, assignment or arrangement with any creditor of any Group Company, other than the Noteholders; or
  - (iii) the appointment of a liquidator (other than in respect of a solvent liquidation or reorganisation of any Group Company other than the Issuer), administrator or other similar officer in respect of any Group Company or any of its assets;
- (e) any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent;
- (f) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, which affects any assets of a Group Company having an aggregate value of not less than SEK 25,000,000 and is not discharged within forty-five (45) days or any Security over any asset of any Group Company having an aggregate value of not less than SEK 25,000,000 is enforced; or
- (g) any creditor of a Group Company declares any Financial Indebtedness of a Group Company due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (g) if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 25,000,000.

15.2 The Agent may not accelerate the Notes in accordance with Clause 15.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

15.3 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.

15.4 The Agent shall notify the Noteholders 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 Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek

instructions from the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- 15.5 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes 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 Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 15.6 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal 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.
- 15.7 In the event of an acceleration of the Notes in accordance with this Clause 15, the Issuer shall redeem all Notes at an amount per Note equal the redemption amount specified in Clause 9.3 (*Voluntary total redemption (call option)*) as applicable considering when acceleration occurs.

## **16 Distribution of Proceeds**

- 16.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 15 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Finance Documents (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes or the protection of the Noteholders' 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 21.2.7, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 17.15 together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
  - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
  - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
  - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents including default interest in

accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer.

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

- 16.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16.1(a).
- 16.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 16 as soon as reasonably practicable.
- 16.4 If the Issuer or the Agent shall make any payment under this Clause 16, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

## **17 Decisions by Noteholders**

- 17.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 17.2 Any request from the Issuer or a Noteholder (or Noteholders) 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 Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' 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 Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 17.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders 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.

- 17.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 17.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuing Agent shall upon request provide the Issuer or the convening Noteholder(s) with the information available in the debt register (*skuldbok*) kept by the CSD in respect of the Notes in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- 17.5 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 18.1 or (ii) instigate a Written Procedure by sending communication in accordance with Clause 19.1, in both cases with a copy to the Agent. After a request from the Noteholders pursuant to Clause 21.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 18.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the notice or the communication. The Issuing Agent shall provide the Issuer with the information available in the debt register (*skuldbok*) kept by the CSD in respect of the Notes in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- 17.6 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Business Day specified in the notice pursuant to Clause 18.2, in respect of a Noteholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 19.2, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the definition of Adjusted Nominal Amount.
- 17.7 The following matters shall require the consent of Noteholders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2:
- (a) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
  - (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 9 (*Redemption and repurchase of the Notes*);
  - (c) a change to the Interest Rate or the Nominal Amount;

- (d) a change to the terms for the distribution of proceeds set out in Clause 16 (*Distribution of proceeds*);
- (e) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 17 (*Decisions by Noteholders*);
- (f) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (g) a mandatory exchange of the Notes for other securities; and
- (h) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 15 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

17.8 Any matter not covered by Clause 17.7 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.2. 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 20.1(a) or (b)), an acceleration of the Notes.

17.9 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17.7, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.

If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

17.10 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 18.1) or initiate a second Written Procedure (in accordance with Clause 19.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 17.10, the date of request of the second Noteholders' Meeting pursuant to Clause 18.1 or second Written Procedure pursuant to Clause 19.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 17.7 shall not apply to such second Noteholders' Meeting or Written Procedure.

17.11 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.

- 17.12 A Noteholder holding more than one Note 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.
- 17.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' 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.
- 17.14 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 17.15 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.16 If a decision is to be taken by the Noteholders 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 Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 17.17 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders 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 Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **18 Noteholders' Meeting**

- 18.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.

- 18.2 The notice pursuant to Clause 18.1 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 Noteholders), (iv) the day on which a person must be Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 18.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 18.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **19 Written Procedure**

- 19.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 19.2 A communication pursuant to Clause 19.1 shall include (i) each request for a decision by the Noteholders, (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 Noteholder 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 Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 19.1). If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 19.3 When consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 17.7 and 17.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.7 or 17.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.



## **20 Amendments and Waivers**

- 20.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) it is obvious to the Agent that such amendment or waiver is not detrimental to the interest of the Noteholders as a group;
  - (b) it is made solely for the purpose of rectifying obvious errors and mistakes;
  - (c) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (d) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 17 (*Decisions by Noteholders*).
- 20.2 The consent of the Noteholders 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.
- 20.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 20.1, 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.
- 20.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **21 Appointment and Replacement of the Agent**

### **21.1 Appointment of Agent**

- 21.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 21.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of

exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.

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

21.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

21.1.5 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.

## 21.2 **Duties of the Agent**

21.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. The Agent is not responsible for the content, the valid execution, legal validity or enforceability of the Finance Documents.

21.2.2 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 Noteholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not in any way acting as an advisor (whether legal, financial or otherwise) to the Noteholders.

21.2.3 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default has occurred.

21.2.4 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interest of the Noteholders as a group and carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

21.2.5 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.

21.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders 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.

- 21.2.7 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 or circumstance 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 Noteholders under the Finance Documents; or (iii) as otherwise agreed between the Issuer and the Agent. 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 16 (*Distribution of proceeds*).
- 21.2.8 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 21.2.9 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.
- 21.2.10 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.
- 21.2.11 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 21.2.12 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 21.2.11.

### 21.3 **Limited liability for the Agent**

- 21.3.1 The Agent will not be liable to the Noteholders 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 willful misconduct. The Agent shall never be responsible for indirect loss.

- 21.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts 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 Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 21.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognized clearing or settlement system used by the Agent for that purpose.
- 21.3.4 The Agent shall have no liability to the Noteholders or to the Issuer (or any other person) for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with the Finance Documents.
- 21.3.5 The Agent is not liable for information provided to the Noteholders by or on behalf of the Issuer or by any other person.
- 21.3.6 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 Noteholders under the Finance Documents.
- 21.4 **Replacement of the Agent**
- 21.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 21.4.2 Subject to Clause 21.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 21.4.3 A Noteholder (or Noteholders) 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 Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 21.4.4 If the Noteholders 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 Noteholders, 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.

- 21.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 21.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 21.4.7 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 Noteholders 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.
- 21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **22 Appointment and Replacement of the Issuing Agent**

- 22.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 22.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.
- 22.3 The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under the Terms and Conditions.

## **23 Appointment and replacement of the CSD**

- 23.1 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 Notes.
- 23.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or the listing of the Notes on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Account Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

## **24 No Direct Actions by Noteholders**

- 24.1 A Noteholder 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 (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- 24.2 Clause 24.1 shall not apply if the Agent has been instructed by the Noteholders 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 Noteholder to provide documents in accordance with Clause 21.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 21.2.11, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.8 before a Noteholder may take any action referred to in Clause 24.1.
- 24.3 The provisions of Clause 24.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event or Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

## **25 Prescription**

- 25.1 The right to receive repayment of the principal of the Notes 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 Noteholders' right to receive payment has been prescribed and has become void.

- 25.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, 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.

## **26 Notices and Press releases**

### **26.1 Notices**

- 26.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (e) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Agent to the Issuer from time to time;
- (f) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address notified by the Issuer to the Agent from time to time; and
- (g) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Noteholder in order to receive the communication, (or if no such date is specified, one Business Day prior to dispatch), and by either courier delivery (to the extent it is possible to deliver by courier to the relevant address) or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

- 26.1.2 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 Agent and the Issuer, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 26.1.1, in case of letter three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 26.1.1 or, in case of email to the Agent or the Issuer, when received in readable form by the email recipient.

- 26.1.3 Any notice pursuant to the Finance Documents shall be in English.

- 26.1.4 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

## 26.2 **Press releases**

26.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 9.4 (*Early redemption due to illegality (call option)*), 10.1.2, 15.3, 17.17, 18.1, 20.1 and 20.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

26.2.2 In addition to Clause 26.2.1, if any information relating to the Notes or the Group contained in a notice the Agent may send to the Noteholders 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 Noteholders 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 Noteholders, the Agent shall be entitled to issue such press release.

## 27 **Force Majeure and Limitation of Liability**

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

27.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

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

27.4 The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## 28 **Governing Law and Jurisdiction**

28.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

28.2 The Issuer submits to the non-exclusive jurisdiction of the District Court of Stockholm (*Stockholms tingsrätt*).



We hereby certify that the above terms and conditions are binding upon ourselves.

Place: Stockholm

Date: \_\_\_\_ 2019

**KVALITENA AB (PUBL)**

**as Issuer**

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place: Stockholm

Date: \_\_\_\_ 2019

**NORDIC TRUSTEE & AGENCY AB (PUBL)**

**as Agent**

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

## **Schedule 1**

### **Conditions Precedent**

#### **Part I - Conditions Precedent relating to Initial Notes**

##### **1 Corporate Documents**

- (a) A copy of the constitutional documents of the Issuer.
- (b) A copy of a resolution of the board of directors of the Issuer:
  - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it shall execute, deliver and perform the Finance Documents to which it is a party;
  - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents and related documents.
- (d) A certificate of an authorised signatory of the Issuer certifying that each copy document relating to it specified in this Schedule 1 is correct, complete and in full force and effect.
- (e) An agreed form Compliance Certificate.

##### **2 Agreements**

The following documents duly executed by all the parties thereto:

- (a) the Terms and Conditions; and
- (b) the Agency Agreement.

## **Part II - Conditions Precedent relating to Subsequent Notes**

### **3 Corporate Documents**

- (a) To the extent not covered by the resolutions from the board of directors under Part I, a copy of a resolution of the board of directors of the Issuer:
  - (i) approving the terms of, and the transactions contemplated by, the Subsequent Notes and resolving that it shall execute, deliver and perform any documents necessary in connection with the issue of the Subsequent Notes;
  - (ii) authorising a specified person or persons to execute any such documents; and
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Subsequent Notes.
- (b) A Compliance Certificate; and
- (c) A copy of any other authorisation or other document, opinion or assurance which the Agent notifies the Issuer that it reasonably considers necessary or desirable in connection with the issue of the Subsequent Notes.

## Schedule 2

### Form of Compliance Certificate

To: Nordic Trustee & Agency AB (publ) as Agent  
From: Kvalitena AB (publ)  
Dated: [●]

Dear Sirs,

#### **Kvalitena AB (publ) – Terms and conditions for Kvalitena AB (publ) with respect to the SEK 800,000,000 senior floating rate notes (the "Terms and Conditions")**

- (1) We refer to the Terms and Conditions. This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
- (2) We confirm that:
  - (a) the Equity Ratio on the Test Date *[date]*, was [●]%; and
  - (b) [as an aggregate during the Financial Year ending on the Test Date *[date]*:
    - (i) not less than 85% of all investments made by the Issuer (based on the gross amounts applied towards such investments) are Real Estate Related Investments; and
    - (ii) the Group's consolidated book value of Tangible Assets is not less than SEK 4,000,000,000.]<sup>1</sup>
- (3) We set out below calculations establishing the figures in paragraphs (2)(a):  
[●]
- (4) We confirm that no 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, is continuing. *[If this statement cannot be made, the certificate should identify any Event of Default or default that is continuing and the steps, if any, being taken to remedy it.]*
- (5) Attached hereto you will find copies of any notices sent to the Regulated Market.

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<sup>1</sup> Only to be included in respect of the Test Date 31 December.

## Addresses

### Issuer

Kvalitena AB (publ)  
c/o Stendörren  
Strandvägen 5A  
114 51 Stockholm  
Sweden  
+ 46 (0)8 121 317 00  
[www.kvalitena.se](http://www.kvalitena.se)

### Legal Advisor to the Issuer

Wigge & Partners Advokat KB  
Birger Jarlsgatan 25  
111 45 Stockholm  
Sweden  
[www.wiggepartners.se](http://www.wiggepartners.se)

### Agent

Nordic Trustee & Agency AB  
Norrandsgatan 23  
P.O. Box 7329  
103 90 Stockholm  
Sweden  
+ 46 (0)8 783 79 00  
[www.nordictrustee.com](http://www.nordictrustee.com)

### Issuing Agent / Financial advisor

ABG Sundal Collier ASA  
Munkedamsveien 45, 7<sup>th</sup> Floor  
0250 Oslo  
Norway  
+ 47 22 01 60 00  
[www.abgsc.no](http://www.abgsc.no)

### Financial advisor

ABG Sundal Collier AB  
Regeringsgatan 65  
111 56 Stockholm  
Sweden  
+ 46 (0)8-566 286 00  
[www.abgsc.se](http://www.abgsc.se)

### Auditor

Rådek AB  
Rademachergatan 6  
P.O. Box 4082  
630 04 Eskilstuna  
Sweden  
[www.radek.se](http://www.radek.se)

### Central Securities Depository

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