

**Tobin Properties AB (publ)**

relating to the listing of

up to a maximum SEK 500,000,000 Senior Secured Callable Bonds  
due 2019

ISIN: SE0008347371

Issuing Agent

The logo for Pareto Securities features a stylized blue arc on the left side, followed by the word "Pareto" in a large, bold, blue serif font, and the word "Securities" in a smaller, blue sans-serif font to its right.

Prospectus dated 21 June 2017

## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Tobin Properties AB (publ), reg. no. 556733-4379 (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Sweden, having its headquarters located at the address, Humlegårdsgatan 19A, 114 46 Stockholm, in relation to the application for the listing of the senior secured callable bonds denominated in SEK (the "**Bonds**") on the corporate bond list on NASDAQ Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). ABG Sundal Collier AB and Pareto Securities AB have acted as joint bookrunner in connection with the issue of the Bonds (the "**Joint Bookrunners**"). Pareto Securities AB has acted as issuing agent in connection with the issue of the Bonds (the "**Issuing Agent**"). This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument) (the "**Trading Act**") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Regulation**"). The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA's website ((www.jfi.se) and the Issuer's website ((www.tobinproperties.se).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 34 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

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

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

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

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

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

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company's management or are assumptions based on information available to the Group. The words "considers", "intends", "deems", "expects", "anticipates", "plans" and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts of, or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Group's operations. Such factors of a significant nature are mentioned in the section "**Risk factors**" below.

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

**TABLE OF CONTENTS**

<b>RISK FACTORS</b>	<b>3</b>
<b>THE BONDS IN BREIF</b>	<b>18</b>
<b>STATEMENT OF RESPONSIBILITY</b>	<b>22</b>
<b>DESCRIPTION OF MATERIAL AGREEMENTS</b>	<b>23</b>
<b>DESCRIPTION OF THE GROUP</b>	<b>24</b>
<b>MANAGEMENT</b>	<b>29</b>
<b>HISTORICAL FINANCIAL INFORMATION</b>	<b>31</b>
<b>OTHER INFORMATION</b>	<b>32</b>
<b>TERMS AND CONDITIONS OF THE BONDS</b>	<b>34</b>
<b>ADDRESSES</b>	<b>77</b>

## RISK FACTORS

*Investing in the Bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect Tobin Properties AB (publ) (the "Issuer") and its subsidiaries (together the "Group"). These risk factors include, but are not limited to, financial risks, technical risks, risks related to the business operations of the Group, environmental and regulatory risks. If any of these or other risks or uncertainties actually occurs, the business, operating results and financial condition of the Group could be materially and adversely affected, which could have a material adverse effect on the Group's ability to meet its obligations (including repayment of the principal amount and payment of interest) under the terms and conditions for the Bonds (the "Terms and Conditions"). The risks presented herein are not exhaustive, and other risks not presently known to the Group, or that the Group currently deems immaterial, and therefore not discussed herein, may also adversely affect the Group and adversely affect the price of the Bonds and the Group's ability to service its debt obligations. Investors should consider carefully the information contained herein and make an independent evaluation before making an investment decision. The risk factors below are not ranked in any specific order.*

### RISKS RELATING TO THE GROUP

#### Macroeconomic factors

The real estate market is to a large extent affected by macroeconomic factors such as, *inter alia*, the general economic development, growth, employment trends, level of production of new premises and residential properties, changes in infrastructure, population growth, inflation and interest rate levels. If one or more of these factors would have a negative development, this could have a material negative impact on the Group's operations, earnings and financial position. Market disruption in the real estate market where the Group is active and an economic downturn in the global market as a whole could affect the Group and the Group's customers' financial position. Furthermore, deterioration in the global economy, decreased liquidity in the Swedish market for residential properties or decreased demand for the Group's products or services could also have a material negative impact on the Group's operations, earnings and financial position.

#### Geographic concentration risk

The Group primarily has its operations in the Greater Stockholm area and Uppsala and is therefore especially exposed to macroeconomic factors influencing these areas. The Group is dependent upon the development of, and would be affected to a greater extent by changes in, the housing market in the Greater Stockholm and Uppsala. A negative development of the housing market in these areas may have a material negative impact on the Group's operations, earnings and financial position.

#### The Group's possibilities to allocate housing

The Group's operations mainly consist of managing and participating in property development projects, primarily with the purpose to create housing in the Greater Stockholm and Uppsala region. This means that willingness as well as ability to pay for housing is crucial for the Group's operations, performance and financial condition. The willingness to pay for housing is among other things dependent on to what extent apartments correspond to the market demand, activity on the housing market, and the general developments of price trends in housing and demographic factors, such as moving to and from the Greater Stockholm and Uppsala region. The willingness to pay for housing is also affected by, *inter alia*, the availability and cost of alternative housing.

The ability to pay for housing is affected by the salary development, employment, tax and fee levels and other factors that generally affect the household economy. The ability to pay is also affected by the possibility for households to make interest deductions, obtain debt financing, mortgage interest rates, as well as the statutory, or by the banks applied, rules for maximum leverage and debt repayments. Any regulatory changes implemented, aimed at reducing the total household borrowing, could affect the ability to pay for housing negatively.

If customer's willingness or ability to pay for housing decreases it could have a material negative impact on the Group's operations, earnings and financial position.

### **Certain risks relating to the business model and the projects**

The business that the Group is operating and the types of projects carried out by the Group are generally associated with a large number of risks, such as the risk of faulty construction, risk for delays of completion, operating risks, risks relating to permissions including official decisions, environmental risks, political risks, site risks etc. In the event the Group's projects are delayed, this may also lead to partners and others with whom the Group has entered into agreements, regarding, among other things, real estate development or land designation, claiming damages or contractual penalty from the Group.

Property development projects include new construction and conversion of existing buildings. It is a prerequisite for the Group's continued development that such projects can be successfully implemented. The Group is dependent on its ability to conduct property development projects that are economic profitable. The Group is also dependent on its ability to retain and recruit the necessary expertise in areas such as construction, planning, design, architecture and marketing and to obtain construction contracts on acceptable terms for the implementation of the project. Furthermore, property development depends on current supply and financing of new projects on terms acceptable for the Group, including among other things, access to new properties for conversion and new construction as well as development of existing and new projects together with third party investors. The feasibility of property development projects with economic profitability can also be affected by whether the projects adequately correspond to market demand, if the demand for or price of housings changes, lack of planning, analysis and cost control, changes in taxes and other factors that may cause delays or increased or unexpected costs in the project.

Moreover, in these types of projects the construction costs may escalate during the time of the project, due to e.g. miscalculations with regard to the budget, unexpected delays in delivery of material, construction challenges or other factors outside the Group's control.

Technical risks are associated both with new construction and conversion of buildings as well as with property management. These include the risk of construction defects, the risk that the building cannot be converted into a residential building in a technically satisfactory way, hidden defects or other defects, damages and contaminations. Such technical problems may cause delays of planned new productions or conversions, or increased costs for new construction, conversion and management of the properties. Furthermore, there is a risk that the Group does not receive the necessary authority decisions or permits for new construction, conversion or change of use of acquired properties or that changes in governmental approvals, plans, regulations or legislation resulting in that property development projects are delayed, become more expensive or cannot be implemented at all.

Furthermore, the Group is required to complete its projects in a manner which is competitive and attractive to potential customers. It is common for the Group to pre-sell 60-70% of the contracts in a project prior to construction start. Hence, the Group is dependent on its capability of selling the

relevant objects to its customers without the customers having the chance to see the object they are buying and the Group must therefore be successful in gaining its customers confidence that the object they are buying is what they are looking for. If the Group is not successful in this matter, there is a risk that intended projects are delayed or not started at all.

If one or several of the above factors would develop negatively or if any of the described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

#### **Acquisition, sale and other transactional related risks**

The Group's business concept is to create value by acquiring, developing and selling properties. Real estate transactions are associated with uncertainties, such as environmental circumstances and technical problems, disputes relating to the transaction or the condition of the property.

Acquisitions of properties involve, for instance, uncertainties regarding the management of tenants, unexpected costs with respect to environmental clean-up, rebuilding and related handling of technical problems, decisions from authorities and the emergence of disputes relating to the acquisition or the condition of the real property. Such uncertainties may lead to delays in projects or increased or unexpected costs which could have a material negative impact on the Group's operations, earnings and financial position.

Sales of residential units involve uncertainties regarding, for instance, the price and that some apartments may not be sold. From time to time commitments are made to repurchase unsold apartments. Such commitments constitute guarantees which cover any unsold units within six months after occupancy. If several residential units are unsold this could result in that the Group has undertaken a large guarantee commitment which could consequently result in additional costs for the Group.

The standard sale and purchase agreement with respect to the sale of apartment buildings include several warranties provided by the Group, such as warranties with respect to the validity of contracts, environmental risks, etc. When selling property companies, it is also normal practice to guarantee that no tax disputes or other legal disputes exist that may become a future burden for the company. Such warranties are typically limited as to time. However, there is a risk that counterparties in such sale and purchase agreement make a claim under any guarantee against the Group with negative consequences for the Group. Moreover, inability to find a market for apartments at attractive prices or claims made against the Group or its affiliated companies can lead to delays of projects or unexpected costs.

If one or several of the above factors would develop negatively or if any of the described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

#### **Property risk**

The value of the properties are affected by a number of factors, both property-specific such as operating costs and permitted use of the properties as well as market-specific factors such as required rate of return and capital costs, on the basis of comparable transactions in the property market. Returns from the properties will depend largely upon, inter alia, the Group's ability to consummate the contemplated disposals of the properties and the costs and expenses incurred in the development and redevelopment of the properties as well as upon changes in their market value. Rental income and the market value for properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and

changes of interest rates. Both property value and rental income may also be affected by competition from other property owners, or the perceptions of prospective buyers or tenants of the attractiveness, convenience and safety of the properties. If one or several of the above factors would develop negatively, it could have a material negative impact on the Group's operations, earnings and financial position.

#### **Risks related to legislation, permits and official decisions**

New laws and regulations and changes in applicable laws and regulations which apply to the Group's business operations such as the Environmental Code (SFS 1998:808) (Sw. *Miljöbalken* (1998:808)) and the Code of Land Laws (SFS1970:994) (Sw. *Jordabalken* (1970:994)) may have a negative impact on the Group. Furthermore, in order to use and develop properties as intended, official decisions and licenses are needed. Hence, it is a risk that for example zoning plans (or other approvals and licences) necessary for the Group's or its associated companies projects will not be adopted by the municipality or that the Group or its associated companies will not receive a final approval of the zoning plans within the prescribed time period. Furthermore, it cannot be excluded that a decision is being appealed, and thereby significantly delayed. The Group may also have too few or too many building rights (Sw. *byggrätter*) under the zoning plans, or building rights in less attractive areas. If any of the described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

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

The Group's business and property development is regulated and affected by several different laws and regulations as well as proceedings and decisions related to these laws and regulations. For example, the Planning and Building Act (Sw. *Plan- och bygglag* (2010:900)), building codes, security regulations, regulation related to building materials and rules regarding listed buildings can all have an impact on the Group's business and the cost and ability to develop properties. The Group conducts its property developments in accordance with its interpretation of applicable laws and regulations, however there is a risk that the Group's or its advisors' interpretation could be incorrect or that such laws and regulations may change in the future. Further, there is a risk that laws or regulations may hinder the Group from developing or converting properties in accordance with their intentions, that the projects are delayed or more costly than anticipated, or that changes to current laws and regulations could result in unexpected costs or lead to limitations in the development of the Group's business.

If one or several of the above factors would develop negatively or if any of the described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

#### **Environmental risk**

The starting point for the responsibility with respect to contaminations and other environmental damage is, according to the current environmental laws, that the business operator, current and present, bears the responsibility. There may be, or may have been, tenants on the properties which the Group directly or indirectly owns that conduct business which require a particular permit according to the Environmental Code, *i.e.* that are business operators according to the Environmental Code.

If no business operator can carry out or pay for after-treatment of a property, the acquirer of the property, which at the time of the acquisition knew about, or should have discovered, the contaminations is responsible for the after-treatment. This means that claims under certain circumstances can be directed against the Group for cleaning-up or after-treatment regarding the

occurrence of, or suspicion of, contamination in the ground, water areas, or groundwater, in order to put the property in such condition as required by the Environmental Code.

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

Finally, changed laws, regulations and requirements from authorities on the environmental area could result in increased costs for the Group with respect to cleaning-up or after-treatment regarding currently held or in the future acquired properties. Such changes could also result in increased costs or delays for the Group in order to be able to carry out the real estate development as desired by the Group.

All such claims could have a material negative impact on the Group's operations, earnings and financial position.

### **Exploitation risk**

As the Group's main businesses are development and redevelopment of properties, the Group depends largely on the possibility to exploit land necessary for the property development. If the Group would not be able to exploit as much land area as necessary, it could have a material negative impact on the Group's operations, earnings and financial position.

### **Competitive landscape**

The Group operates on a competitive market. The Group's future possibilities to compete are, among other things, dependent upon the Group's ability to anticipate future market changes and trends, and to rapidly react on existing and future market needs, which may result in increased costs or require price reductions or changes of the Group's business model. Further, the Group operates on a market where several of the Group's competitors have greater financial resources than the Group. Increased competition from existing and new market participants as well as deteriorated competition possibilities could have a material negative impact on the Group's operations, earnings and financial position.

The construction business has historically been involved in a number of scandals relating to bribery and cartels. The business is considered as a high risk industry when it comes to different kinds of anti-competitive behaviours, and has in the past been subject for several investigations by the European Commission and different National Competition Authorities in the EU, including Sweden. The anti-competitive climate within the business is particularly due to overall weak competition on the market, which is often dominated by a few strong players. The construction business was most recently investigated by the Swedish Competition Authority in 2012, with the purpose to procure evidence of anti-competitive cooperation among competitors.

It cannot be ruled out that the Group might become subject to investigations and proceedings by the Competition Authorities in the future. Furthermore, there is also a risk that the Group could be subject to cartels entered into by sub-contractors, which could affect the sub-contractors pricing towards the Group.

If one or several of the above factors would develop negatively or if any of the described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

**Key persons**

The Group has a relatively small organisation, which means dependency on individual key employees. The Group's future development is highly dependent on the skill, experience and engagement of management and other key employees. These employees also have a comprehensive knowledge of the Group and the industry in general. Therefore it is important for the Group's future business activities and development that it is able to retain, and where necessary also recruit skilled employees. If the Group should become unable to retain or recruit such employees, it could have a material negative impact on the Group's operations, earnings and financial position.

The Group is dependent on a number of key people, including the founder Erik Karlin and Johan Varland who are also board directors and indirect major shareholders. These key persons are essential to the successful development of the Group. If key employees would decide to leave, it could have a material negative impact on the Group's operations, earnings and financial position.

**Negative publicity**

The Group's reputation is important for its business. Should the Group's reputation be damaged, the Group's customers and other stakeholders could lose confidence in the Group. For instance, should the Group or any of the members of its senior management team take an action that conflicts with the Group's values, or should any of the Group's projects not meet the market's expectation, the Group's reputation could be at risk. Also unjustified negative publicity could damage the Group's reputation. Reputation damage could have a material negative impact on the Group's operations, earnings and financial position.

**Borrowing by the Group and interest risk**

The Group has incurred, and may further incur, financial indebtedness to finance its business operations and the Group may in compliance with the limits set out in the final Terms and Conditions also incur further financial indebtedness. The Group's interest-bearing and non-interest-bearing liabilities, apart from the Bonds, a bond loan amounting to SEK 300,000,000 issued by the subsidiary Mariefjärd AB (publ), a loan to the project Skräddaren in an approximate amount of SEK 20,000,000 and a credit facility in the amount of SEK 10,000,000, are held directly by the Group's property-owning subsidiaries and associated companies. Counterparties are Swedish commercial banks, customers, and private and institutional investors. In some cases, the loan agreements contain covenants stipulating special undertakings, such as maintenance of Loan-to-Value, which means that the lender has the right to immediate repayment of credits granted, or to impose a change in terms, in the event that obligations are not met by the borrower. In all projects financing the lenders have a right to receive repayment before the Group receives repayment – so-called subordination agreements.

Interest-bearing debts may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Interest on the Group's borrowings from time to time is subject to fluctuations in the applicable interest rates. Changes in interest rates may lead to changes in actual value, changes in cash flows and fluctuations in the Group's result, and if interest rate risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

**Tax related risks**

The Group conducts its business in accordance with its own interpretation of applicable tax regulations and applicable requirements and decisions. There is a risk that the Group's or its

advisers' interpretation and the Group's application of laws, provisions, judicial practice has not been, or will in the future not be, correct or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, the Group's tax liabilities can increase, which would have a negative effect on the Issuer results and financial position. Revisions to tax regulations could for example comprise denied interest deductions, additional taxes on the direct or indirect sale of property and/or tax losses carried forward being forfeited, which could affect the Group's results and financial position in the future.

The Group's tax situation is also affected if transactions between companies within the Group or with associated companies, and between the Group, associated companies and residential cooperatives, in connection with projects, are considered to be priced on market terms. There is a risk that the Group's interpretation of applicable tax laws and regulations, or that advice from tax advisors, is incorrect, or that such laws and regulations change, possibly with retroactive effect. Further, future changes in applicable laws and regulations may affect the conditions of the businesses of the Group and the associated companies.

In June 2014, a parliamentary committee proposed changes to the interest deduction limitation rules. It was however announced in April 2015 that the proposal will be subject for further analysis. It is currently envisaged that any new rules would be enacted no earlier than 1 January 2018. Furthermore, the Council of the European Union has presented Directive 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the function on the internal market. The directive is in line with BEPS (Base Erosion and Profit Shifting) Action 4 and could possibly have substantial impact on the interest deduction for tax purposes on both internal and external debt. The deadline for the Member States to implement the Directive is 31 December, 2018. At the date hereof, new rules have not been enacted.

In June 2015, the Swedish Government appointed a committee to analyse the possibility to divest properties through tax exempt disposals of shares in companies holding properties and, if considered necessary, to propose new legislation to prevent such transactions. The investigation also covered a review on whether acquisitions through land parcelling procedure is being abused in order to avoid stamp duty. The result of the review was presented on March 30, 2017. The main proposals imply that upon a change of control in a company holding assets that mainly consist of properties, the properties will be considered as divested and re-acquired for a price corresponding to the market value of the properties. The divested real estate company should also report a taxable notional income (instead of stamp duty) corresponding to 7,09 per cent of the highest amount of the market value and the tax assessment value of the properties. Further, stamp duty is introduced on acquisitions of properties by land parcelling procedures. The proposals will now most likely be subject to remittance and it is at the date hereof unclear if, and to what extent, the proposals will result in new legislation. The rules are proposed to enter into force 1 July 2018.

If one or several of the above factors would develop negatively or if any of the described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

#### **Ability to service debt**

The Group's ability to service its outstanding debts will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or

refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all. If any of these risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

### **Credit risk**

The Group and its associated companies are exposed to the risk of not being paid for apartments or properties which have been sold. In addition to credit risks in relation to customers, the Group is exposed to credit risks in relation to other parties such as associated companies to which a group company has granted loans. Moreover, the Group's associated companies have also provided loans to the property development projects.

There could be a credit risk where there is a risk for the Group's counterparties being unable to fulfil their financial obligations towards the Group or its associated companies. The current and potential customers and other counterparties may get in a financial situation where they cannot pay the agreed fees or other amounts owed to the Group or the associated companies as they fall due or otherwise abstain from fulfilling their obligations. This could lead to delays and increased costs for the Group. If the Group's counterparties cannot fulfil their obligations towards the Group, it could have a material negative impact on the Group's operations, earnings and financial position.

### **Risks related to co-investors and associated companies**

The Group's property development projects are carried out in the Group's associated companies; hence the Group is dependent on cooperation and good relationship with co-investors. If one or more collaborations should develop negatively, it could lead to disputes and the associated companies would have to be dissolved and its assets realised on unfavourable terms, which could have a material negative impact on the Group's operations, earnings and financial position.

The Group's ability to initiate new, or developing existing, cooperation's in associated companies may affect the possibility to successfully complete commenced, planned or new projects. If such cooperation cannot be initiated, or develop on terms that are disadvantageous for the Group, it could result in the Group's projects being delayed, that the projects cannot be financed or completed as expected, or can only be completed with reduced profitability or loss.

The Group is further dependent upon the actions of current and future partners in associated companies, which could result in reduced flexibility to operate the business, for instance with respect to investments in, or disposals of, properties in the associated companies. In addition, there is a risk, if the associated companies develop in a way which is negative for the Group, that the Group cannot take the measures which it finds most advantageous.

If any of the above described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

### **Financing risk**

The property development projects are separately financed by equity/shareholder loans from the Issuer Tobin Properties AB (publ) and/or co-investors and bank loans. Projects are also financed by preference shares. Property development projects may be delayed or affected by unexpected or increased costs due to factors within or outside the Group's control. If such circumstances occur, it could result in projects not being completed before loans are due, or that such increased costs cannot be accommodated within the approved credit facilities. If the Group is not able to obtain financing with respect to acquisitions or development, extension or increase of existing financing or refinancing of previously received financing, or is only able to obtain such financing on unfavourable

terms, it could have a material negative impact on the Group's operations, earnings and financial position.

### **Majority owners**

A majority shareholder of the Issuer may have interests conflicting with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control many of the matters to be voted at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the bondholders. A shareholder or any of its affiliates may usually acquire businesses that directly compete with the Group. This may adversely impact the Group's operations, financial position, earnings and results.

### **Future investment needs**

In order to finance investments inter alia real estate investments, the Group may need to use available financial assets and /or obtain additional financing, for example financing through loans or issue of new shares. Previously approved and ongoing investment may require additional funding than initially estimated. Access to additional financing is dependent on several factors such as market conditions, the general availability of credit and the Group's credit-worthiness. There is a risk that the Group fails to secure sufficient funding on favorable conditions or fails to obtain the funding. A negative development in sales or in margins, unforeseen liabilities, changes in the timing of tax payments, settlement of accounts payable and paid accounts receivable may lead to lack of liquidity and working capital. If new funding cannot be obtained when necessary it could have a material negative impact on the Group's operations, earnings and financial position.

### **Changes in legislation**

Various pieces of legislations and regulations (including, without limitation, competition regulations, land law, environmental regulations and taxes) affect the business conducted by the Group. New or amended legislation and regulations could call for unexpected costs or impose restrictions on the development of the business operations which could have an adverse effect on the Group's business, operations, earnings, results and financial position.

### **Legal disputes**

Disputes are not unusual in the industry where the Group operates and can occur with buyers, sellers and other parties in projects and may also arise regarding environmental matters. Disputes can be time consuming and result in costs, which cannot be foreseen. Claims or legal action may in the future be taken against the Group which would have significant unfavourable effects on the Group's financial position, operations, earnings, results, performance, and market position or pricing of the Bonds.

The Group has an ongoing dispute. The housing cooperative Solterassen in Solsidan has with immediate effect terminated a construction contract due to delay. The building contractor (Sw. *entreprenören*) went into reconstruction and later into bankruptcy. The Group received the maximum amount according to a guarantee, approximately 4 million, however the expenses were higher than that. The Group (the housing cooperative) has sued the board of directors of the building contractor, as the board should have been aware of the building contractor's financial situation. In addition to this some additional questions relating to guarantees and the building are discussed. The Group's direct commitment is limited to 30% of the holding company Solterassen in Solsidan AB,

which has sold a limited liability company to the housing cooperative. A dispute can be time consuming and result in costs, the size of which cannot always be foreseen and could affect the brand and could have a material negative impact on the Group's operations, earnings and financial position.

### **Insurance**

Certain types of losses are not covered by the Group's insurances since such losses are not considered to be possible to insure. Furthermore, there may be losses that are expressly excluded or for any other reasons are not covered by the insurances. The insurances could also be limited to a certain amount or series of losses. If the Group is unable to maintain its insurance cover on terms acceptable to it or if future business requirements exceed or fall outside the Group's insurance cover or if the Group's provisions for uninsured costs are insufficient to cover the final costs it could have a material negative impact on the Group's operations, earnings and financial position.

### **Political risk**

The Group is subject to political risks since the local municipalities have the planning monopoly (Sw. *planmonopol*) which means that the municipalities alone may decide which party that shall be able to exploit the relevant land area. Shifts of power and/or the local opinion may hence affect the Group's ability to exploit land. If changes in the political environment would occur, it could have a material negative impact on the Group's operations, earnings and financial position.

### **Global economic and market conditions**

The recent economic downturn and uncertainty on the international financial markets, including the Euro crisis, have had an adverse impact on the global economy. Any market turbulence, in particular on the Nordic real estate market, or downturns in the global economy could affect the financial position of customers and tenants of the Group and potentially impact their ability to conduct business with the Group and their ability to pay their rent and conduct business with the Group. Deterioration in the global economy or any decrease in demand for the Group's products and services may have a material negative impact on the Group's operations, earnings and financial position.

## **RISKS RELATING TO THE BONDS**

### **Credit risks**

Investors in the Bonds carry a credit risk relating to the Group. The investors' ability to receive payment under the Terms and Conditions is dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above.

An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively. Another aspect of the credit risk is that a deteriorating financial position of the Group may reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds.

### **Refinancing risk**

The Group may eventually be required to refinance certain or all of its outstanding debt, including the Bonds. The Group's ability to successfully refinance its debt is dependent on the conditions of the capital markets and its financial condition at such time. The Group's access to financing sources

may not be available on favourable terms, or at all. The Group's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Group's business, financial condition and results of operations and on the bondholders' recovery under the Bonds.

#### **Ability to comply with the Terms and Conditions**

The Group is required to comply with the Terms and Conditions, inter alia, to pay interest under the Bonds. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Group's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Bonds, resulting in the Issuer has to repay the bondholders at the applicable call premium. It is possible that the Issuer will not have sufficient funds at the time of the repayment to make the required redemption of Bonds.

#### **Interest rate risks**

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

#### **Liquidity risks and secondary market**

The Issuer has an obligation to ensure that the Bonds are listed on the corporate bond list of First North Stockholm no later than 60 calendar days from the first issue date of the Bonds and has further undertaken to ensure that the Bonds are listed on Nasdaq Stockholm within one year from the first issue date of the Bonds. Even if the Bonds are admitted to trading on aforementioned markets, active trading in the Bonds does not always occur and a liquid market for trading in the Bonds might not occur even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if the Bonds are admitted for trading on First North Stockholm and Nasdaq Stockholm.

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

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

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

### **Risks relating to the transaction security**

Although the Issuer's obligations towards the Investors under the Bonds will be secured by first priority pledges over the shares in certain Group companies as well as security over certain intragroup loans from the Issuer to any subsidiary and real property mortgages, it is not certain that the proceeds of any enforcement sale of the security assets would be sufficient to satisfy all amounts then owed to the Investors.

The bondholders will be represented by Nordic Trustee & Agency AB as security agent (the "Security Agent") in all matters relating to the transaction security. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the transaction security. Further, the transaction security is subject to certain hardening periods during which times the bondholders do not fully, or at all, benefit from the transaction security.

The Security Agent is entitled to enter into agreements with members of the Group or third parties or to take any other action necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among other things, the bondholders' rights to the security.

### **Dependency on other companies within the Group**

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The Issuer is thus dependent upon receipt of sufficient income and cash flow related to the operations of the subsidiaries. Consequently, the Issuer is dependent on the subsidiaries' availability of cash and their legal ability to make dividends which may from time to time be restricted by corporate restrictions and law. Should the Issuer not receive sufficient income from its subsidiaries, the investor's ability to receive payment under the Terms and Conditions may be adversely affected.

### **Majority owner**

Following any potential change of control in the Issuer, the Issuer may be controlled by majority shareholder whose interest may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a material negative impact on the Group's operations, earnings and financial position. According to the Terms and Conditions, if a change of control event occurs, the bondholders have however a right of prepayment of the Bonds (put option). There is thus a risk that the Issuer does not have enough liquidity to repurchase the Bonds if the bondholders use its right of prepayment.

### **Secured obligations**

The Bonds represent secured obligations of the Issuer, there is however a risk that the pledged assets will not be sufficient for the bondholders should the pledge be realised. The security consist of share pledges in relation to the Issuer's directly wholly owned subsidiaries (excluding Klaräpple Fastighets AB) and of issuer loans provided from the Issuer to companies and entities which manages projects on behalf of the Group. Such issuer loans are however permitted to be repaid to the Issuer

conditional upon that the Agent consents to the repayment whereby such consent shall not be unreasonably withheld, denied or delayed by the Agent and provided further that the Issuer, once the repaid amount is available, is on lent the amount into other projects to companies and entities which manages projects on behalf of the Group, and subject to issuer loans pledge agreement. This means however that before such amount is reinvested in another project no pledge exists over the amount repaid. Other than the security created under the Terms and Conditions, the Bonds represent an unsecured obligation of the Group. This means that in the event of the liquidation, bankruptcy, reorganisation or winding-up of the Issuer, the bondholders normally receive payment after any priority creditors have been paid in full. Each investor should be aware that by investing in the Bonds, it risks losing the entire, or parts of, its investment in the event of the Issuer's liquidation, bankruptcy or company reorganisation.

### **Subsidiaries, structural subordination and insolvency of subsidiaries**

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The subsidiaries are legally separated from the Issuer and the subsidiaries' ability to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and law restriction. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the subsidiaries. The Group and its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

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

The Group may, subject to limitations, incur additional financial indebtedness and provide additional security for such indebtedness. In the event of bankruptcy, reorganisation or winding-up of the Issuer, the bondholders will be subordinated in right of payment out of the assets being subject to security. In addition, if any such third party financier holding security provided by the Group would enforce such security due to a default by any Group Company under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and ultimately the position of the bondholders.

### **Currency risks**

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

**Early redemption and put options**

Under the Terms and Conditions the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the bondholders of the Bonds have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put options) if one or more persons, (other than Erik Karlin and/or his affiliates) acting together acquire control over the Issuer and where “control” means (a) acquiring or controlling, directly or indirectly, more than 50.00% of the voting rights of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, or Erik Karlin and/or his affiliates ceases to control at least 50.00% of the shares in the Issuer held by him and/or any of his affiliates as of the first issue date of the Bonds. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

**Distributions**

The Group is under the Terms and Conditions prohibited from making distributions, unless certain financial covenants are met and the distribution does not exceed 25% of the Group’s consolidated net profit for the previous fiscal year (as applicable) and provided further that an initial public offering has occurred where the Issuer’s ordinary shares are listed on Stockholm First North or Nasdaq Stockholm. Furthermore, in accordance with the Terms and Conditions, the Issuer is also entitled under certain circumstances, to make dividends and other distributions in relation to the Issuer’s from time to time outstanding preference shares as well as other distributions. The Issuer is also under certain circumstances permitted to redeem its preference shares. If any of these distributions are made, it could have an adverse effect on the Group’s assets and on the position of the bondholders.

**No action against the Issuer and bondholders’ representation**

In accordance with the Terms and Conditions, the Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action.

However, the possibility that a bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against the Issuer.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the Agent in such matters

could impact a bondholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the bondholders.

### **Bondholders' meetings**

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

### **Restrictions on the transferability of the Bonds**

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired.

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

The Bonds will be affiliated to Euroclear's account-based system, and no physical Bonds will be issued. Clearing and settlement relating to the Bonds will be carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear's account-based system.

### **Amended or new legislation**

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

### **Conflict of interests**

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

## THE BONDS IN BRIEF

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

<b>Issuer</b> .....	Tobin Properties AB (publ).
<b>Number of Bonds</b> .....	Maximum 500. At the date of this Prospectus, all 500 Bonds have been issued and are outstanding.
<b>ISIN</b> .....	SE0008347371.
<b>Issue Date</b> .....	1 July 2016.
<b>Issue Price</b> .....	100 per cent.
<b>Interest Rates</b> .....	Interest on the Bonds will be paid at a floating rate of three-month STIBOR plus 9.00 per cent per annum.
<b>Interest Payment Dates</b> .....	1 July, 1 October, 1 January and 1 April of each year commencing on 1 October 2016. Interest will accrue from (but excluding) the First Issue Date.
<b>Nominal Amount</b> .....	The Bonds will have a nominal amount of SEK 1,000,000 and the minimum permissible investment in the Bonds is SEK 1,000,000.
<b>Status of the Bonds</b> .....	The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.

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

- The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* and without any preference among them;
- 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

- are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness; and
- are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer, including obligations to trade creditors.

**Security .....** The Bonds are secured by security interests granted on an equal and rateable first-priority basis over the share capital of certain Group Companies and other assets of the Group. See the definition of "**Security Documents**" in Clause 1.1 (*Definitions*) of the Terms and Conditions.

**Call Option.....** The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 11.3 (*Early Voluntary Redemption*) of the Terms and Conditions.

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

- (a) 104,5 per cent. of the Nominal Amount if the Call Option is exercised on or after the First Call Date up to (but not including) the date falling 24 months after the First Issue Date;
- (b) 102.7 per cent. of the Nominal Amount if the Call Option is exercised on or after the date falling 24 months after the First Issue Date up to (but not including) the date falling 30 months after the First Issue Date;
- (c) 100.9 per cent. of the Nominal Amount if the Call Option is exercised on or after the date falling 30 months after the First Issue Date up to (but not including) the date falling 33 months after the First Issue Date;
- (d) 100 per cent of the Nominal Amount if the Call Option is exercised on or after the date falling 33 months after the First Issue Date up to (but not including) the Final Redemption Date.

**First Call Date.....** Means the date falling 18 months after the First Issue Date.

**Final Redemption Date.....** Means 1 July 2019.

- Change of Control Event.....** Means the occurrence of an event or series of events whereby:
- (i) one or more Persons (other than the Main Shareholder) acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent of the voting rights of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer, or;
- (ii) the Main Shareholder, or an affiliate thereof ceases to control at least 50 per cent. of the shares in the Issuer held by the Main Shareholder as of the First Issue Date.
- Certain Covenants.....** The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, *inter alia*:
- restrictions on making any changes to the nature of their business;
  - a negative pledge, restricting the granting of security on Financial Indebtedness (as defined in the Terms and Conditions);
  - restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and
  - limitations on the making of distributions and disposal of assets.
- The Terms and Conditions contain a Maintenance Test which states that the Issuer shall at all times procure that the Equity Ratio is more than 25 per cent. And the Cash and Cash Equivalents exceed SEK 25,000,000. The Maintenance Test shall be tested quarterly on the basis of the latest interim report and be included in the Compliance Certificate delivered in connection therewith.
- Each of these covenants is subject to significant exceptions and qualifications, see the Terms and Conditions.
- Use of Proceeds .....** The Issuer shall use the proceeds from the issue of the Bonds, less the costs and expenses incurred by the Issuer in connection with the issue of the Bonds, for (i) investments

in the project Täby Terrass in the approximate amount of SEK 80,000,000, (ii) redemption of preference shares in a maximum amount of SEK 110,000,000 pursuant to a resolution by the board of directors of the Issuer on 30 June 2016, and for (iii) investments in projects and, where applicable, proceeds according to (i) and (iii) shall be on lent pursuant to Issuer Loans and be subject to the Issuer Loans Pledge Agreement. Any net proceeds from any subsequent bond issue shall be used in accordance with item (iii) above, i.e. investments in projects.

<b>Transfer Restrictions .....</b>	The Bonds are subject to customary transfer restrictions as set out in Clause 6 (The Bonds and Transferability) of the Terms and Conditions.
<b>Listing.....</b>	The Bonds are currently listed at First North. Application to list the Bonds on Nasdaq Stockholm will be made on or about the date of this prospectus.
<b>Security Agent.....</b>	Nordic Trustee & Agency AB (publ).
<b>Issuing Agent .....</b>	Pareto Securities AB.
<b>Governing Law of the Bonds.</b>	Swedish law.
<b>Risk Factors.....</b>	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

## STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 22 June 2016, and was subsequently issued by the Issuer on 1 July 2016. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council and Chapter 2 of the Trading Act.

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

21 June 2017

Tobin Properties AB (publ)

*The board of directors*

### **DESCRIPTION OF MATERIAL AGREEMENTS**

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

Except for the Finance Documents, the Issuer is not party to any significant agreement not entered into in the ordinary course of business.

## DESCRIPTION OF THE GROUP

### History and development

The Issuer is a residential property developer founded in 2010 by Erik Karlin (CEO) and Johan Varland (Head of Transactions). The Issuer develops tenant-owned apartments targeted to the upper mid segment in the greater Stockholm area, and to a lesser extent in central Uppsala. Apartment sales amounted to approximately SEK 900 million in 2016. Current development projects include 2,676 apartments in 24 different projects, of which 406 are currently under construction and 90% are already sold.

#### 2010

The Issuer is founded by Erik Karlin and Johan Varland and makes its first acquisition through the Ösby Park project.

#### 2011

The Issuer acquires the projects Etaget and Solterrassen.

#### 2012

The Issuer is building the projects Ösby Park and Solterrassen and acquires two land allocations from the city of Stockholm in the projects Äril and Årstafältet.

#### 2013

The Issuer acquires three projects in Sundbyberg (Vintergatan, Arkaden and Etapp C) and completes the project Ösby Park.

#### 2014

The Issuer sells the projects Vintergatan, Etaget and Arkaden and completes the project Solterrassen. The Issuer also starts construction of the projects Vintergatan and Etaget and acquires the projects Torghusen, Stationshusen and 5 Hus Tollare 1. The Issuer conducts a private placement of preference shares amounting to approximately MSEK 115 before issue costs. The Issuer makes another private placement of preference shares of approximately MSEK 92 before issue costs and lists the preference share on Nasdaq First North.

#### 2015

The Issuer acquires the projects Golfbäcken 1, Slaktaren, Gladan 5, Nacka Strand 1, 2 and 3 and Vyn. Furthermore, the Issuer divests its share in project Årstafältet to Patriam AB and acquires Patriam AB's share in project Äril. Subsequently, an agreement is signed with Revcap as co-investor in project Äril. In December 2015, the Issuer conducts a private placement of unlisted common shares amounting to approximately MSEK 150 before issue costs.

#### 2016

The Issuer acquires the projects Unum, Orminge, Golfbäcken 2 and Gladan 6 and 7. Furthermore, the Issuer completes the project Vintergatan and starts construction of the project Äril. In spring 2016 the Issuer conducts a new issue of a three-year secured bond loan amounting to not more than MSEK 500 with due date on 1 July 2019. The Issuer has utilized the bond loan in two tranches during 2016. The first tranche was issued on 1 July 2016 amounting to MSEK 225 and the second tranche was issued on 14 September 2016 amounting to MSEK 75.

#### 2017

During the first quarter 2017 the Issuer has utilized another tranche of the bond loan amounting to MSEK 200, whereby the maximum amount of the bond loan now has been utilized. Mariefjärd AB

(publ), a subsidiary of the Issuer, issued a four-year secured bond loan of MSEK 300 on the Swedish bond market on March 30, 2017. The bond loan is due on March 30 2021.

## **Business and operations**

Tobin Properties AB (publ) was incorporated on 3 July 2007 and is a Swedish public limited liability company operating under the laws of Sweden, reg. no. 556733-4379. The registered office of the Issuer is Humlegårdsgatan 19 A, 114 46 Stockholm, and the Issuer's headquarters is located at the same address, with telephone number +46 8 120 500 00. The Issuer 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 Issuer's preference shares are listed on Nasdaq First North since 12 December 2014.

In accordance with the articles of association of the Issuer, adopted on 28 December 2015, the objects of the Issuer are to provide advisory services to the real estate industry and pursue related activities.

## **Business model and market overview**

### *Business model*

The Issuer acquires and develops real estate in order to create modern and attractive housing. The business process encompasses surveys, property acquisition structuring, financing, design, sales, construction and disposal. The Issuer acts as a developer through newly formed housing cooperatives (Sw. *bostadsrättsförening*). This ensures that the housing cooperatives have full benefit of guarantees, insurance and rights dwellings handed over to new members.

Real estate assets are disposed of by sale of subsidiary shares to the housing association. In addition collects a fee for services it provides to the housing cooperatives during the time from the formation of the compound until completion of the project, such as project management, procurement and financing.

The Issuer is mainly active in the Greater Stockholm area, which is characterized by favourable conditions for housing projects. Stockholm has a high expected population growth, which is driven by a positive net birth, increased urbanization and high migration.

The Issuer's target customers are found mainly in the upper middle segment of the market, which is an attractive segment to operate in since customers in this segment generally consists of individuals with high purchasing power. These individuals value design and quality and are willing to pay a premium for this. To ensure the high quality and functional solutions that appeal to the targeted market segment, the Issuer collaborates with architectural firms and established construction companies.

### *Market overview*

At end of 2015, 250 Swedish municipalities experienced general housing deficit while only three experienced a surplus and all municipalities in Stockholm County are experiencing a shortage of residential apartments. The demand for newly constructed apartments is driven by the current supply/demand imbalance, the projected population growth, and the price ceilings on rental prices. The long ongoing discrepancy between demand and supply in Stockholm County has resulted in a large accumulated shortage of housing.

Sweden is moving from an industrial society towards a service society, in which regional service clusters in larger cities are of great importance for securing international competitiveness. The result is that the largest cities in Sweden have experienced the largest growth, tightly followed by suburban municipalities and other large cities. The population growth in the Issuer's main geographical market is likely to maintain high demand for housing in the region.

### Share capital and ownership structure

The shares of the Issuer are denominated in SEK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Issuer had an issued share capital of SEK 1,136,977.4 divided into 11,369,774 shares, of which 1,000,242 are preference shares series A and 10,369,532 common shares. As per 31 December 2016, the largest shareholders of the Issuer were:

TEN TARGETS SHAREHOLDERS' AS OF DECEMBER 31, 2016				
Shareholders'	Ordinary shares	Preference shares	Share capital (%)	Number of votes
Erik Karlin, privat och via bolag (1)	2 831 250	0	24,90%	27,04
Johan Varland via bolag (2)	1 237 500	0	10,88%	11,82
JRS Asset Management AB	727 901	150 227	7,72%	7,10
Sara Karlin	500 000	0	4,40%	4,78
Försäkrings AB Avanza Pension	486 069	155 085	5,64%	4,79
Carnegie Småbolagsfond	467 658	0	4,11%	4,47
Infiska Fastighets AB	312 500	0	2,75%	2,98
Wallenstam aktier AB	300 000	0	2,64%	2,87
Handelsbanken svenska småbolagsfond	200 000	0	1,76%	1,91
Färna Invest AB	187 266	0	1,65%	1,79
<b>Ten largest shareholders, total:</b>	<b>7 250 144</b>	<b>305 312</b>	<b>66,45%</b>	<b>69,54</b>
Other shareholders'	3 119 388	694 930	33,55%	30,46
<b>Total</b>	<b>10 369 532</b>	<b>1 000 242</b>	<b>100,00%</b>	<b>100,00</b>
(1) Erik Karlin owns ordinary shares in private and by his wholly owned company Karlin & Co Stockholm AB				
(2) Johan Varland owns ordinary shares by his wholly owned company Egobox AB.				

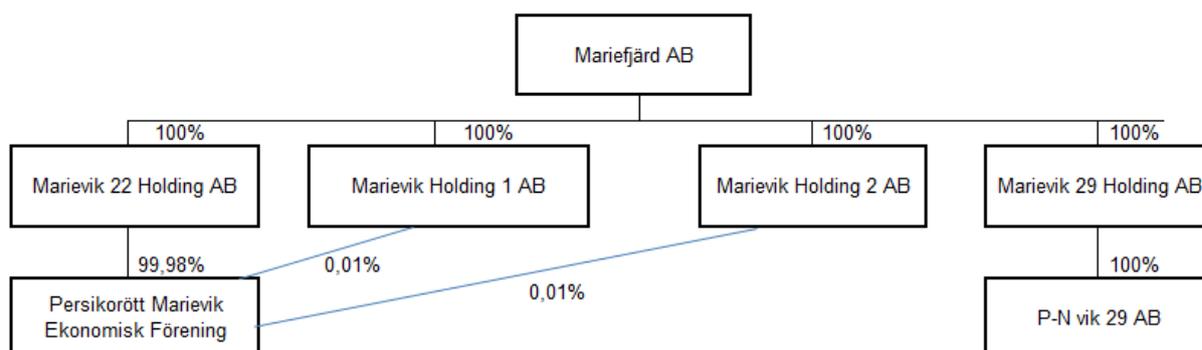
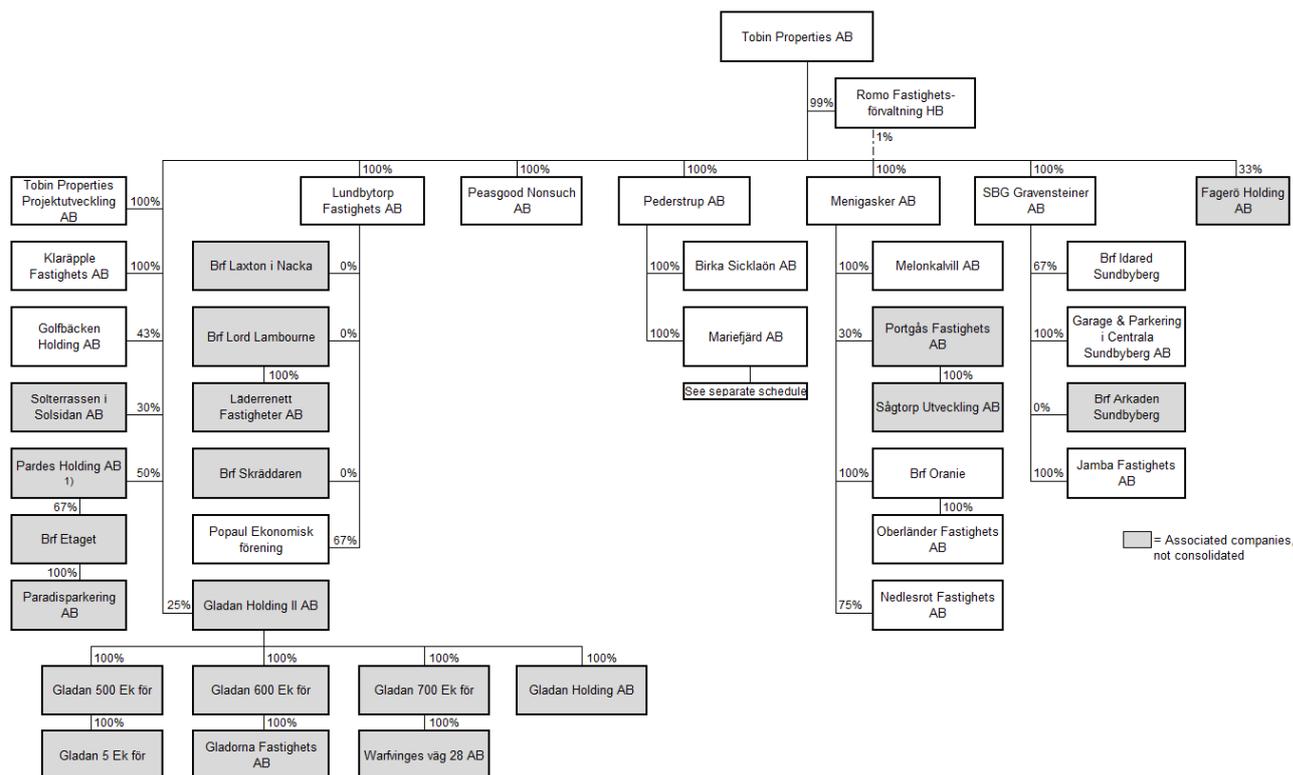
### Shareholders' agreement

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

### Overview of Group structure

The Issuer is the ultimate parent of the Group. As of 31 December 2016 the Group consisted of 26 subsidiaries. Operations are conducted by the subsidiaries and the Issuer is thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds.

The structure of the Group, including its subsidiaries, is set out below.



## Recent events

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

## Significant change and trend information

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

## Legal and arbitration proceedings

Due to the nature of Group's business, the Group is from time to time involved in disputes with tenants or suppliers. None of the disputes to date are deemed to be significant for the Group.

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

**Credit rating**

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

## MANAGEMENT

The board of directors of the Issuer currently consists of four members which have been elected by the general meeting. The board of directors and the management can be contacted through the Issuer at its headquarters at Humlegårdsgatan 19 A, 114 46 Stockholm. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

***Erik Karlin, chairman of the board since 29 August 2007.***

*Education:* M.Sc. in Business Administration from Stockholm School of Economics.

*Current commitments:* Chairman of the board, CEO and founder of Tobin Properties AB. Chairman of the board in the Issuer.

***Johan Varland, member of the board since 29 August 2007.***

*Education:* M.Sc. in Business Administration from Stockholm School of Economics.

*Current commitments:* Head of Transactions (former CFO) and founder of Tobin Properties AB. Member of the board of the Issuer.

***Christina Tillman, member of the board since 9 June 2016.***

*Education:* M.Sc. in Business Administration from Stockholm University.

*Current commitments:* Board member of Corem Property Group AB, House of Dagmar AB and Coop Sverige AB.

***Peder Johnson, member of the board since 29 March 2012.***

*Education:* Studies of law and mathematics at Uppsala University.

### Management

***Per Alnefelt, CFO***

*Education:* Bachelor degree in business and administration at Uppsala University.

*Current commitments:* Member of the board of the Issuer.

***Adelina Mehra, Head of Project Development***

*Education:* M.Sc. in Architecture from Chalmers University of Technology.

*Current commitments:* Member of the board of several group companies.

***Anna Grinneby, Head of Project Design/Planning Director***

*Education:* M.Sc. in Architecture from Chalmers University of Technology.

*Current commitments:* N/A

***Louise Saxholm, Head of Marketing***

*Education:* M.Sc. in Business Administration from Stockholm School of Economics.

*Current commitments:* N/A

### **Auditor**

At the general meeting held 3 June 2014 Anna Persson, born 21 July 1974, was elected as the Issuer's auditor. At the general meeting held 3 June 2016 Grant Thornton Sweden AB was elected as the Issuer's auditor in charge, represented by Elizabeth Falk, born 18 April 1961. Anna Persson and Elizabeth Falk are authorized public accountants and members of FAR SRS, the professional institute for accountants in Sweden.

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

There is no conflict of interest between the private interests of the Board Members or the Management and the Issuer's interests.

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

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

## HISTORICAL FINANCIAL INFORMATION

The Group's unaudited consolidated financial statements for the period 1 January 2017 – 31 March 2017 and the audited consolidated financial statements and audit report for the financial year ended 31 December 2015 and 2016 are incorporated into this Prospectus by reference. For particular financial figures with regards to the Group's consolidated financial statements for the financial year ended 31 December 2015 and 2016, please refer to the pages set out below:

1. Financial statements for the period 1 January 2017 – 31 March 2017:

- the income statement report, page 12,
- the balance sheet, page 13,
- the cash flow analysis, page 15, and
- accounting policies and notes, page 18-19.

2. Annual report for the financial year 2016:

- the income statement report, page 50,
- the balance sheet, page 51,
- the cash flow analysis, page 53,
- accounting policies and notes, page 58-77, and
- the auditor's report, page 79-80.

3. Annual report for the financial year 2015:

- the income statement report, page 44,
- the balance sheet, page 45, 46,
- the cash flow analysis, page 48,
- accounting policies and notes, page 50-61, and
- the auditor's report, page 64.

The Group's consolidated financial statements for the period 1 January 2017 – 31 March 2017 and the consolidated financial statements for the financial years ended 31 December 2015 and 31 December 2016 are prepared in accordance with IFRS.

Other than the auditing of the Group's consolidated financial statements for the financial years ended 31 December 2015 and 31 December 2016, the Group's auditor has not audited or reviewed any part of this Prospectus.

Investors should read all information which is incorporated by reference as part of this Prospectus.

All of the above documents will, during the validity period of the Prospectus, be available in electronic form at Issuer's website, [www.tobinproperties.se/investerare/finansiella-rapporter/](http://www.tobinproperties.se/investerare/finansiella-rapporter/).

## OTHER INFORMATION

### Assurance regarding the Prospectus

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

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 500,000,000. Each Bond has a nominal amount of SEK 1,000,000. The ISIN for the Bonds is SE0008347371.

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

### Material contracts

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

### Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference:

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2015;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2016; and
- the Group's consolidated financial statements for the period 1 January 2017 – 31 March 2017.

### Documents available for inspection

The following documents are available at the Issuer's headquarters at Humlegårdsgatan 19A, 114 46 Stockholm, on weekdays during the Issuer's regular office hours throughout the period of validity of this Prospectus.

- the Issuer's articles of association;
- the Issuer's certificate of registration;

- the Group's consolidated annual reports (including the subsidiaries) for the financial years 2016 and 2015;
- the Group's consolidated financial statements for the period 1 January 2017 – 31 March 2017;
- this Prospectus; and
- the Finance Documents.

The following documents are also available in electronic form on the website ([www.tobinproperties.se](http://www.tobinproperties.se)):

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2015 and 2016 and the consolidated financial statements for the period 1 January 2017 – 31 March 2017; and
- this Prospectus.

### **Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 500,000.

**TERMS AND CONDITIONS FOR  
TOBIN PROPERTIES AB (PUBL)  
MAXIMUM SEK 500,000,000  
SENIOR SECURED CALLABLE  
BONDS 2016/2019**

**ISIN: SE0008347371**

Issue Date: 1 July 2016

*The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions.*

*The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.*

**TABLE OF CONTENTS**

- 1. **Definitions and construction..... 36**
- 2. **THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS47**
- 3. **STATUS OF THE BONDS..... 48**
- 4. **USE OF PROCEEDS ..... 48**
- 5. **SECURITY..... 48**
- 6. **THE BONDS AND TRANSFERABILITY ..... 50**
- 7. **BONDS IN BOOK-ENTRY FORM ..... 51**
- 8. **RIGHT TO ACT ON BEHALF OF A HOLDER ..... 52**
- 9. **PAYMENTS IN RESPECT OF THE BONDS ..... 52**
- 10. **INTEREST ..... 53**
- 11. **REDEMPTION AND REPURCHASE OF THE BONDS ..... 53**
- 12. **SPECIAL UNDERTAKINGS ..... 55**
- 13. **CONDITIONS PRECEDENT FOR DISBURSEMENT OF THE NET PROCEEDS59**
- 14. **TERMINATION OF THE BONDS..... 60**
- 15. **DISTRIBUTION OF PROCEEDS ..... 63**
- 16. **DECISIONS BY HOLDERS..... 64**
- 17. **HOLDERS' MEETING ..... 66**
- 18. **WRITTEN PROCEDURE ..... 67**
- 19. **AMENDMENTS AND WAIVERS..... 68**
- 20. **APPOINTMENT AND REPLACEMENT OF THE TRUSTEE ..... 68**
- 21. **APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT ..... 72**
- 22. **APPOINTMENT AND REPLACEMENT OF THE CSD ..... 72**
- 23. **NO DIRECT ACTIONS BY HOLDERS ..... 72**
- 24. **TIME-BAR ..... 73**
- 25. **NOTICES AND PRESS RELEASES ..... 73**
- 26. **FORCE MAJEURE AND LIMITATION OF LIABILITY..... 74**
- 27. **GOVERNING LAW AND JURISDICTION ..... 75**

**TERMS AND CONDITIONS FOR  
 TOBIN PROPERTIES AB (PUBL)  
 MAXIMUM SEK 500,000,000  
 SENIOR SECURED CALLABLE BONDS  
 2016/2019  
 ISIN:SE0008347371**

## 1. Definitions and construction

### 1.1 Definitions

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

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

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate of a Group Company, irrespective of whether such Person is directly registered as owner of such Bonds.

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

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

“**Bond**” means debt instruments (Sw. *skuldförbindelser*), each for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Swedish Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions.

“**Bond Issue**” means the Initial Bond Issue and any Subsequent Bond Issue.

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

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

“**Call Option Amount**” means

- (a) 104.5% of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but not including) the date falling 24 months after the First Issue Date;
- (b) 102.7% of the Nominal Amount if the call option is exercised on or after the date falling 24 months after the First Issue Date up to (but not including) the date falling 30 months after the First Issue Date;
- (c) 100.9% of the Nominal Amount if the call option is exercised on or after the date falling 30 months after the First Issue Date up to (but not including) the date falling 33 months after the First Issue Date;
- (d) 100% of the Nominal Amount if the call option is exercised on or after the date falling 33 months after the First Issue Date up to (and including) the Final Redemption Date.

“**Cash and Cash Equivalents**” means cash and cash equivalents in accordance with the accounting principles (as applicable from time to time) as set forth in the latest Financial Report.

“**Change of Control Event**” means the occurrence of an event or series of events whereby (i) one or more Persons (other than the Main Shareholder) acting together, acquire control over the Issuer and where “**control**” means (a) acquiring or controlling, directly or indirectly, more than 50.00% of the voting rights of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer or (ii) the Main Shareholder ceases to control at least 50.00% of the shares in the Issuer held by the Main Shareholder as of the First Issue Date.

“**Compliance Certificate**” means a certificate, in form and substance satisfactory to the Trustee, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it. If the Compliance Certificate is provided in connection with the publishing of a Financial Report or in connection with an application of the Incurrence Test the Compliance Certificate shall include calculations and figures in respect of the Equity Ratio (if in connection with the Incurrence Test, calculated *pro forma* and in accordance with the Calculation Principles).

“**Conditions Precedent for Disbursement of the Net Proceeds**” means all actions and documents (as applicable) set forth in Clause 13.1.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds from time to time; initially Euroclear Sweden AB reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden.

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

“**Equity Contribution**” means in cash, an unconditional shareholder contribution, equity contribution or issue of ordinary shares.

“**Equity Ratio**” means the ratio of Equity to Total Assets to be calculated in accordance with the accounting principles (as applicable from time to time).

“**Escrow Account**” means a bank account of the Issuer, into which the Net Proceeds will be transferred and which has been pledged in favour of the Trustee and the Holders (represented by the Trustee) under the Escrow Account Pledge Agreement.

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

“**Event of Default**” means an event or circumstance specified in Clause 14.1.

“**Final Redemption Date**” means 1 July 2019.

“**Finance Documents**” means the Terms and Conditions, the Escrow Account Pledge Agreement, the Security Documents and the Trustee Agreement, and any other document designated to be a Finance Document by the Issuer and the Trustee.

“**Financial Indebtedness**” means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is treated as a finance lease in accordance with the accounting principles applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (not including receivables sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)-(f).

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

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited

unconsolidated reports of the Issuer, which shall be prepared and made available according to Clause 12.15.1 (a)–(b).

“**First Call Date**” means the date falling 18 months after the First Issue Date.

“**First Issue Date**” means 1 July 2016.

“**First North Stockholm**” means the multilateral trading facility operated by Nasdaq Stockholm under the name “First North”.

“**Force Majeure Event**” has the meaning set forth in Clause 26.1.

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

“**Holder**” means the Person who is registered on a Securities Account as direct registered owner (Sw. *ägare*) or nominee (Sw. *förvaltare*) with respect to a Bond.

“**Holders’ Meeting**” means a meeting among the Holders held in accordance with Clause 17 (*Holders’ Meeting*).

“**Incurrence Test**” is met if the Equity Ratio is:

- (a) more than 30%, provided that the total outstanding nominal amount under the Bond Issue is not more than SEK 300,000,000, or
- (b) more than 35%, if the total outstanding nominal amount under the Bond Issue is more than SEK 300,000,000,

and as regards the total outstanding nominal amount set forth in (a) and (b) above, in relation to a contemplated issue of Subsequent Bonds, taking into consideration pro forma the Subsequent Bond Issue.

The calculation of the Incurrence Test shall be made as per a testing date being the last date of the period covered by the most recent Financial Report prior to the incurrence of a Subsequent Bond Issue, a Restricted Payment or a Permitted Debt (that requires that the Incurrence Test is met), and adjusted so that any assets acquired with the New Financial Indebtedness (as applicable) shall be included calculated pro forma (the “**Calculation Principles**”).

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

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

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

“**Interest Payment Date**” means 1 July, 1 October, 1 January and 1 April each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 1 October 2016 and the last Interest Payment Date being the Final Redemption Date).

“**Interest Period**” means each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest

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

“**Interest Rate**” means a floating rate of STIBOR (3 months) plus 9% per. annum.

“**Issuer**” means Tobin Properties AB (publ), reg. no. 556733-4379, Humlegårdsgatan 19A, 114 46 Stockholm, Sweden.

“**Issuing Agent**” means Pareto Securities AB reg. no. 556206-8956, P.O. Box 7415, 103 91, Stockholm, Sweden, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Issuer’s Direct Subsidiaries**” means the Issuer’s directly wholly owned subsidiaries, at the time of the First Issue Date being: (i) Tobin Properties Projektutveckling AB, reg. no. 556971-7399, (ii) Lundbytorp Fastighets AB, reg. no. 559000-0328 and (iii) Menigasker AB, reg. no. 559000-0336, together with any additional company which after the First Issue Date constitutes a directly wholly owned subsidiary of the Issuer (excluding Klaräpple Fastighets AB, reg. no. 556972-1243), which shall be pledged pursuant to the Share Pledge Agreement.

“**Issuer Loans**” means any loans from the Issuer provided in relation to a Project to Group Companies, associated companies (Sw. *intressebolag*) or Project Entities, from time to time. Such Issuer Loans shall be pledged pursuant to the Issuer Loans Pledge Agreement (excluding the loan from the Issuer in relation to the Project Skräddaren as set forth in the definition Permitted Debt and Permitted Security) and, for the avoidance of doubt, shall be permitted to be repaid to the Issuer when the relevant Project has been finalised or such loans are otherwise due for repayment, conditional upon that the Trustee consents to such repayment, such consent not to be unreasonably withheld, denied or delayed by the Trustee, and provided further that such repaid amount, is on lent in relation to other Projects, once available, to Group Companies, associated companies (Sw. *intressebolag*) or Project Entities, subject to the Issuer Loans Pledge Agreement.

“**Issuer Loans Pledge Agreement**” means the pledge agreement entered into between the Issuer and the Trustee (acting on its own behalf and in its capacity as trustee and security agent representing the Holders) regarding a first priority pledge of all the Issuer’s money claims under the Issuer Loans.

“**Joint Bookrunners**” means Pareto Securities AB and ABG Sundal Collier AB.

“**Main Shareholder**” means:

- (a) Erik Karlin, his wife, or any of his direct heirs;
- (b) any trust, foundation or similar legal entity where one or more person under item (a) is a beneficiary or a board member; or
- (c) an Affiliate under item (a).

“**Maintenance Test**” is met if:

- (i) the Equity Ratio is more than 25% and

(ii) Cash and Cash Equivalents exceed SEK 25,000,000.

“**Make Whole Amount**” means an amount equal to the sum of:

- (a) the present value on the relevant record date of 104.5% of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the remaining coupon payments, less any accrued but unpaid interest up to the relevant redemption date, through and including 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 notice of redemption is given to the Holders)

both calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond Rate (i.e. comparable to the remaining duration of the Bonds until the mentioned date falling on the First Call Date) and where “relevant record date” shall mean a date agreed upon between the Trustee, the CSD and the Issuer in connection with such repayment.

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

“**Material Adverse Effect**” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability or willingness to perform and comply with its payment and other undertakings under the Finance Documents, or (iii) the validity or enforceability of the Finance Documents.

“**Material Group Company**” means the Issuer or a Subsidiary representing more than 5% of the total assets of the Group on a consolidated basis according to the latest Financial Report.

“**Nasdaq Stockholm**” means the Regulated Market of NASDAQ Stockholm AB reg. no. 556420-8394, SE-105 78 Stockholm, Sweden.

“**Net Proceeds**” means the proceeds from the Bond Issue, after deduction has been made for the Transaction Costs payable by the Issuer to the Joint Bookrunners (if the Joint Bookrunners has requested that their respective fees and costs shall be deducted), shall be transferred to the Issuer and used in accordance with Clause 4 (*Use of proceeds*).

“**New Financial Indebtedness**” means any new Financial Indebtedness incurred, constituting a Permitted Debt.

“**Nominal Amount**” has the meaning set forth in Clause 2.1.

“**Permitted Debt**” means any Financial Indebtedness:

- (a) incurred under the Bonds (excluding Subsequent Bonds);

- (b) taken up from a Group Company, and if incurred under any cash pool arrangement, taken up from a Project Entity or otherwise an associated company (Sw. *intressebolag*);
- (c) related to any agreements under which a Group Company leases office space (Sw. *kontorshyresavtal*) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company's business;
- (d) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (e) arising under any interest rate hedging transactions in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (f) related to any Subordinated Loans;
- (g) incurred under Advance Purchase Agreements;
- (h) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holds indebtedness, provided that the Incurrence Test is met, tested *pro forma* including the acquired entity in question;
- (i) incurred by a Subsidiary or a Project Entity (other than the Issuer) under any Project Facility;
- (j) incurred by the Issuer if such Financial Indebtedness (i) is incurred as a result of a Subsequent Bond Issue and meets the Incurrence Test on a *pro forma* basis, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents, and (A) meets the Incurrence Test on a *pro forma* basis (B) has a final maturity date or a final redemption date; and (C) when applicable, early redemption dates or instalment dates, in each case (B) and (C) which occur after the Final Redemption Date;
- (k) incurred by the Issuer in relation to the Project "Skräddaren", in the total amount of SEK 20,000,000 (such Financial Indebtedness to be permitted until the real estate has been sold to the relevant housing co-operative (Sw. *bostadsrättsförening*));
- (l) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, inter alia, the redemption of the Bonds;
- (m) not permitted by item (a) to (l) above, in an aggregate amount not at any time exceeding SEK 10,000,000 and incurred in the ordinary course of the Group's business, including any financial leases (all such Financial Indebtedness is together referred to as the "**Permitted Basket**").

“**Permitted Guarantees**” means any guarantees issued by a Group Company in relation to Financial Indebtedness incurred in relation to a Project in the ordinary course of business, including but not limited to down-payment guarantees (Sw. *insatsgarantier*), rental guarantees (Sw. *hyresgarantier*) and locking obligations (Sw. *spärrförbindelser*), or any other guarantees due to applicable changes in rules and regulations from time to time.

“**Permitted Security**” means any security or guarantee:

- (a) provided in accordance with the Finance Documents;
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) provided in relation to any lease agreement entered into by a Group Company;
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (e) provided in relation to paragraph (d) in the definition Permitted Debt, and provided for interest rate hedging transactions set out in paragraph (e) of the definition Permitted Debt;
- (f) constituting (i) Permitted Guarantees, or (ii) constituting security provided by a Group Company in the ordinary course of business provided in relation to a Project Facility or otherwise related to a Project if provided for the relevant Group Company’s own debt or if constituting a pledge over the shares in the relevant company that has incurred the debt, or provided by another Group Company if such Group Company is part of the same Project (for the avoidance of doubt, a Group Company may not under any other circumstances provide any security or guarantee in relation to another Group Company’s debt);
- (g) in relation to indebtedness held by an entity acquired by a Subsidiary or a Project Entity, existing at the time of the acquisition (but not prolonged or renewed) as set out in paragraph (h) in the Section Permitted Debt;
- (h) provided in relation to the Project “Skräddaren”, set forth in paragraph (k) in the Section Permitted Debt;
- (i) provided in the form of a pledge over an escrow account to which the proceeds from a refinancing of the Bonds are to be transferred;
- (j) provided in relation to the Permitted Basket as set out in paragraph (m) in the Section Permitted Debt.

“**Permitted Preference Share Distributions**” means (i) any dividend related to Preference Shares or (ii) any dividend related to preference shares issued by the Issuer after the First Issue Date, provided that dividend in relation to this item (ii) shall only be permitted to be paid if such preference shares (a) have replaced Preference Shares, (b) do not have a higher market interest rate than the Preference Shares redeemed and provided

further that the total aggregate amount of preference shares (including outstanding Preference Shares) do not exceed the total aggregate amount of Preference Shares.

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

“**Preference Shares**” means the preference shares issued by the Issuer, outstanding on the First Issue Date.

“**Project**” means (i) the acquisition of a real property or a real property company for the purpose of a subsequent development of residential buildings and/or other real estate, (ii) a construction and development of residential buildings and/or other real estate on a real property (as the case may be) and (iii) other activities relating to (i) and (ii) in the ordinary course of business.

“**Project Entity**” means any Subsidiary, joint-venture company, associated company (Sw. *intressebolag*), housing co-operative (Sw. *bostadsrättsförening*), partnership company (Sw. *kommanditbolag*), trading company (Sw. *handelsbolag*), economic association (Sw. *ekonomisk förening*) or any other legal entity which manages Projects on behalf of the Group.

“**Project Facility**” means any Financial Indebtedness incurred by the Group solely to finance a Project or part of a Project.

“**Quotation Day**” means, in relation to (i) an Interest Period for which an interest rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the Issue Date), or (ii) any other period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 15 (*Distribution of proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 11 (*Redemption and repurchase of the Bonds*).

“**Reference Date**” means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding. With reference to the Maintenance Test, the first Reference Date shall be 30 September 2016.

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

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

“**Restricted Preference Share Distributions**” means any repurchase or redemption related to Preference Shares (or preference shares if Preference Shares are replaced as set forth in Clause 12.1 (C)(i)).

“**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 Document**” means the Share Pledge Agreements and the Issuer Loans Pledge Agreement.

“**Share Pledge Agreement**” means the pledge agreements regarding a first priority pledge over all of the shares in the Issuer’s Direct Subsidiaries entered into between the Issuer and the Trustee (acting on its own behalf and in its capacity as trustee and security agent representing the Holders).

“**STIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or
- (b) if no 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 item (b) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant period; and

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

“**Subordinated Loans**” means (a) any preference shares of the Issuer provided that such preference shares have no put option rights for the holders which may be exercised before the Final Redemption Date, or (b) any loan incurred by the Issuer or any of its Subsidiaries, if such loan (i) according to its terms (or pursuant to a subordination agreement on terms and conditions satisfactory to the Trustee), is subordinated to the obligations of the Issuer under the Terms and Conditions, (ii) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date, and (iii) according to its terms yield only payment-in-kind interest.

“**Subsequent Bond Issue**” has the meaning set forth in Clause 2.2.

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

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

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

“**Swedish Government Bond Rate**” means the yield to maturity at the time of computation of direct obligations of Sweden, acting through the Swedish National Debt Office (a Swedish Government Bond; Sw. *statsobligation*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two Business Days (but not more than five Business Days) prior to the relevant Record Date for the Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the Redemption Date to the First Call Date; provided, however, that if the period from the Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation of Sweden, acting through the Swedish National Debt Office for which a weekly average yield is given, the Swedish Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth (1/12) of a year) from the weekly average yields of direct obligations of Sweden, acting through the Swedish National Debt Office, for which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one year, the weekly average yield on actually traded direct obligations of Sweden, acting through the Swedish National Debt Office, adjusted to a constant maturity of one year shall be used.

“**Total Assets**” means by reference to the consolidated balance sheet of the Group, the consolidated book-value of all assets of the Group.

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

“**Trustee**” means the Holders’ trustee and security agent under these Terms and Conditions and, if relevant, the other Finance Documents, from time to time; initially Nordic Trustee & Agency AB (publ) reg. no. 556882-1879, P.O. Box 7329, SE-103 90, Stockholm, Sweden.

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

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clause 18 (*Written Procedure*).

## 1.2 **Construction**

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;

- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

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

1.2.3 When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.

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

1.2.5 No delay or omission of the Trustee or of any Holder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

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

2.1 The aggregate amount of the bond loan will be an amount of up to SEK 500,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Nominal Amount**”). The total nominal amount of the Initial Bonds is SEK 225,000,000 (“**Initial Bond Issue**”). All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount. The ISIN for the Bonds is SE0008347371. The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,000,000.

2.2 The Issuer may at one or more occasions issue additional Bonds (each such issue a “**Subsequent Bond Issue**”) amounting in total up to the difference of SEK 500,000,000 and the volume issued in the Initial Bond Issue provided that the Incurrence Test is met (calculated *pro forma* including the Subsequent Bond Issue). Subsequent Bonds shall benefit from and be subject to these Terms and Conditions and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount, the Final Redemption Date shall apply also to Subsequent Bonds, which also otherwise shall have the same rights as the Initial Bonds. The price of Subsequent Bonds may be set at a discount or at a higher price than the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 500,000,000.

2.3 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.

2.4 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.

2.5 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds each subsequent Holder confirms such agreements.

### **3. STATUS OF THE BONDS**

3.1 The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.

### **4. USE OF PROCEEDS**

4.1 The Issuer shall establish the Escrow Account prior to the Issue Date. On the Issue Date, the Issuing Agent shall transfer the Net Proceeds from the Initial Bond Issue to the Escrow Account. For the purpose of securing that the Conditions Precedent for Disbursement of the Net Proceeds have been fulfilled and for the purpose of securing that the Net Proceeds will be used by the Issuer in accordance with Clause 4.2, the Escrow Account will be pledged in favour of the Trustee and the Holders (represented by the Trustee). The pledge over the Escrow Account shall be released when all the Conditions Precedent for Disbursement of the Net Proceeds have been fulfilled. For the avoidance of doubt, if a Group Company subscribes for any Bonds in the Initial Bond Issue, proceeds related to such Bonds shall not be transferred to the Escrow Account provided that the Group Company may not dispose of such Bonds until the Conditions Precedent for Disbursement of the Net Proceeds have been fulfilled.

4.2 Upon fulfilment of the Conditions Precedent for Disbursement of the Net Proceeds, the Net Proceeds shall be used for (i) investments in the Project Täby Terrass in the approximate amount of SEK 80,000,000, (ii) redemption of Preference Shares in a maximum amount of SEK 110,000,000, provided that a resolution of the board of directors regarding redemption of Preference Shares has been taken no later than one month after the First Issue Date, and for (iii) investments in Projects and, where applicable, proceeds according to (i) and (iii) shall be on lent pursuant to Issuer Loans and be subject to the Issuer Loans Pledge Agreement. Any Net Proceeds from any Subsequent Bond Issue shall be used in accordance with item (iii) above, i.e. investments in Projects.

### **5. SECURITY**

5.1 As continuing security for the due and punctual fulfilment of the Issuer's obligations under the Finance Documents, the Issuer shall pledge to the Trustee and the Holders (represented by the Trustee) as first ranking security;

- (i) all shares in the Issuer's Direct Subsidiaries pursuant to the Share Pledge Agreement. The Issuer shall also pledge the shares in any company becoming a directly wholly owned subsidiary of the Issuer after the First Issue Date (excluding Klaräpple Fastighets AB, (reg.no. 556972-1243); and

- (ii) any loans from the Issuer provided in relation to a Project, to Group Companies, associated companies (Sw. *intressebolag*) or Project Entities, from time to time, pursuant to the Issuer Loans Pledge Agreement (excluding the loan from the Issuer in relation to the Project Skraddaren as set forth in the definition Permitted Debt and Permitted Security).
- 5.2 The Issuer shall ensure that the Security Documents and all documents relating thereto are duly executed in favour of the Holders and the Trustee (as represented by the Trustee) and that such documents are legally valid, perfected, enforceable and in full force and effect according to their terms. The Issuer shall execute and procure the execution of such further documentation as the Trustee may reasonably require in order for the Holders and the Trustee to at all times maintain the security position envisaged hereunder.
- 5.3 The Trustee will, where applicable, hold the security created under the Security Documents on behalf of itself and the Holders in accordance with these Terms and Conditions and the Security Documents.
- 5.4 Except if otherwise decided by the Holders according to the procedures set out in Clauses 16 (*Decisions by Holders*), 17 (*Holders' Meeting*) and 18 (*Written Procedure*), the Trustee is, without first having to obtain the Holders' consent, entitled to enter into binding agreements with the Issuer, the Subsidiaries, or third parties if it is, in the Trustee's sole discretion, necessary for the purpose of establishing, maintaining, altering, releasing or enforcing the security created (or to be created) under the Security Documents or for the purpose of settling the various Holders' relative rights to the security created under the Security Documents, respectively. The Trustee is entitled to take all measures available to it according to the Security Documents.
- 5.5 If the Bonds are declared due and payable according to Clause 14 (*Termination of the Bonds*) or following the Final Redemption Date, the Trustee is entitled to enforce the security created under the Security Documents, in such manner and under such conditions that the Trustee finds acceptable (if in accordance with the Security Documents, respectively).
- 5.6 If a Holders' Meeting has been convened, or a Written Procedure instigated, to decide on the termination of the Bonds and/or the enforcement of all or any of the security created under all or any of the Security Documents, the Trustee is obligated to take actions in accordance with the Holders' decision regarding the security created under the Security Documents. However, if the Bonds are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in these Terms and Conditions, the Trustee shall not enforce any of the security created under the Security Documents. If the Holders, without any prior initiative from the Trustee or the Issuer, have made a decision regarding termination of the Bonds and enforcement of any of the security created under the Security Documents in accordance with the procedures set out in Clauses 16 (*Decisions by Holders*), 17 (*Holders' Meeting*) and 18 (*Written Procedure*), the Trustee shall promptly declare the Bonds terminated and enforce the security created under the Security Documents. The Trustee is however not liable to take action if the Trustee considers cause for termination and/or acceleration not to be at hand, unless the instructing Holders in writing commit to holding the Trustee indemnified and, at the Trustee's own discretion, grant sufficient security for the obligation.

- 5.7 Funds that the Trustee receives on account of the Holders in connection with the enforcement of any or all of the security created under the Security Documents constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate account on behalf of the Holders. The Trustee shall promptly arrange for payments of such funds in accordance with Clause 15 (*Distribution of proceeds*). If the Trustee deems it appropriate, it may, in accordance with Clause 5.8, instruct the CSD to arrange for payment to the Holders.
- 5.8 For the purpose of exercising the rights of the Holders and the Trustee under these Terms and Conditions and for the purpose of distributing any funds originating from the enforcement of any security created under the Security Documents, the Issuer irrevocably authorises and empowers the Trustee to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Holders in accordance with Clause 5.7. To the extent permissible by law, the powers set out in this Clause 5.8 are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall immediately upon request by the Trustee provide the Trustee with any such documents, including a written power of attorney (in form and substance to the Trustee's satisfaction), which the Trustee deems necessary for the purpose of carrying out its duties under Clause 5.7 (including as required by the CSD in order for the CSD to accept such payment instructions). Especially, the Issuer shall, upon the Trustee's request, provide the Trustee with a written power of attorney empowering the Trustee to change the bank account registered with the CSD to a bank account in the name of the Trustee and to instruct the CSD to pay out funds originating from an enforcement in accordance with Clause 5.7 to the Holders through the CSD.

## 6. THE BONDS AND TRANSFERABILITY

- 6.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 6.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 6.3 Upon a transfer of Bonds, any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the transferee.
- 6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.
- 6.5 The Bonds have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and the Issuer is under no obligation to arrange for registration of the Bonds under the Securities Act or under any other law or regulation.

- 6.6 The Bonds are not offered to and may not be subscribed by investors located in the United States except for “Qualified Institutional Buyers” (“**QIB**”) within the meaning of Rule 144A under the Securities Act. In the application form relating to the Bonds, each person applying for the Bonds must confirm whether it is a U.S. person as defined in Rule 902 of Regulation S under the Securities Act, and if it is a U.S. person it must confirm, *inter alia*, that it is a QIB.
- 6.7 Holders located in the United States are not permitted to transfer Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Holder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act, (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and (e) pursuant to any other available exemption from registration under the Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act.
- 6.8 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

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

- 7.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- 7.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 7.3 The Issuer (and the Trustee when permitted under the CSD’s applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Trustee, the Issuer shall promptly obtain such information and provide it to the Trustee.
- 7.4 For the purpose of or in connection with any Holders’ Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Trustee does not otherwise obtain information from such debt register as contemplated under the Finance Documents, the Issuing Agent shall at the request of the Trustee obtain information from the debt register and provide it to the Trustee.

- 7.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Trustee, as notified by the Trustee, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Trustee or unless consent thereto is given by the Holders.
- 7.6 At the request of the Trustee, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Trustee.
- 7.7 The Issuer (and the Trustee when permitted under the CSD's applicable regulations) may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

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

- 8.1 If any Person other than a Holder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 8.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Holder and may further delegate its right to represent the Holder by way of a further power of attorney.
- 8.3 The Trustee 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 8.1 and 8.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

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

- 9.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under the Finance Documents shall be deposited in a certain bank account; such deposits will be effectuated by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder 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 effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as

Holders on the relevant Record Date as soon as possible after such obstacle has been removed.

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

## **10. INTEREST**

- 10.1 The Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Bond will, however, carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.
- 10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.
- 10.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 10.4 If the Issuer fails to pay any amount payable by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at a rate which is 200 basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Trustee or the CSD, in which case the Interest Rate shall apply instead.

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

### **11.1 Redemption at maturity**

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

## 11.2 **The Issuer's purchase of Bonds**

The Issuer may at any time purchase Bonds. Bonds held by the Issuer may at the Issuer's discretion be retained, sold or cancelled.

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

11.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day prior to the First Call Date, at an amount equal to the Make Whole Amount together with accrued but unpaid Interest. The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day falling on or after the First Call Date, but before the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid Interest.

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

## 11.4 **Mandatory repurchase due to a Change of Control Event (put option)**

11.4.1 Upon a Change of Control Event occurring, each Holder shall have the right to request that all or only some of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of sixty (60) calendar days following a notice from the Issuer of the relevant event pursuant to Clause 12.15.1 (e). The sixty (60) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event.

11.4.2 The notice from the Issuer pursuant to Clause 12.15.1 (e) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 12.15.1 (e). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 11.4.1.

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

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

## 12. SPECIAL UNDERTAKINGS

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

### 12.1 Distributions

The Issuer shall not, and shall procure that none of its Subsidiaries will, (i) pay any dividend on its shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay any Subordinated Loans or capitalized or accrued interest thereunder, or (v) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer ((i)-(v) each being a “**Restricted Payment**”), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment; by any Group Company if such Restricted Payment is made to another Group Company and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis. Notwithstanding the above, a Restricted Payment may be made by the Issuer, if at the time of the payment no Event of Default is continuing and:

- (A) if at the time of the payment the aggregate amount of all Restricted Payments and Restricted Preference Share Distributions of the Group in any fiscal year (including the Restricted Payment in question but not including Restricted Payments pursuant to (C) and (D) below) does not exceed 25% of the Group’s consolidated net profit for the previous fiscal year, provided that the Incurrence Test is fulfilled (calculated on a *pro forma* basis including the relevant Restricted Payment) and provided further that an initial public offering has occurred, where the Issuer’s ordinary shares are listed on Stockholm First North or Nasdaq Stockholm. The Issuer shall always be permitted to make the proposed dividend distribution in relation to ordinary shares set forth in the notice to the Issuer’s annual general meeting to be held in June 2016 (not exceeding SEK 3,000,000); or
- (B) such Restricted Payment consist of a Permitted Preference Share Distributions; or
- (C) such Restricted Payment constitutes a Restricted Preference Share Distribution provided that such repurchase or redemption is financed by (i) an Equity Contribution or by preference shares provided that such preference shares do not have a higher market interest rate than the ones redeemed or (ii) proceeds from the Initial Bond Issue; or
- (D) such Restricted Payment constitutes; (i) an unconditional shareholder contribution made to a Project Entity, if based on an agreement entered into on arm’s length terms, or (ii) any interest or dividend to be paid from a Subsidiary or a Project Entity in relation to construction credits (Sw. *byggnadskreditiv*), preference shares, convertibles etcetera (if such interest paid would be considered as dividend), if made in relation to a Project and if made to the applicable market interest rate and provided further that not made to any Affiliate not being a Group Company.

## 12.2 **Listing of Bonds**

The Issuer shall ensure that the Bonds are listed (i) at the corporate bond list on First North Stockholm not later than 60 calendar days after the First Issue Date (and with an intention to complete such listing within 30 calendar days after the First Issue Date) and (ii) to replace such listing with a listing at the corporate bond list on Nasdaq Stockholm not later than 1 year after the First Issue Date and shall take all measures required to ensure that the Bonds, once listed on Nasdaq Stockholm, continue being listed on Nasdaq Stockholm for as long as any Bond is outstanding (however, taking into account the rules and regulations of Nasdaq Stockholm and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

## 12.3 **Lock-up**

Before an initial public offering, where the Issuer's ordinary shares are listed on Stockholm First North or Nasdaq Stockholm, the Issuer shall procure that the main shareholders Erik Karlin and Johan Varland will agree upon a lock-up, on terms and size in accordance with advice from the Issuer's advisors in the initial public offering process, such lock-up terms to include *inter alia* an undertaking that the lock-up shall last for at least 12 months from the first day of trading.

## 12.4 **Nature of business**

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect.

## 12.5 **Financial Indebtedness**

The Issuer shall not, and shall procure that none of its Subsidiaries, incur any new, or maintain or prolong any existing, Financial Indebtedness, provided however that the Issuer and the Subsidiaries have a right to incur, maintain or prolong Financial Indebtedness that constitute Permitted Debt.

## 12.6 **Maintenance Test**

The Issuer shall at all times ensure that the Maintenance Test is met. The Maintenance Test shall be tested quarterly on the basis of the interim report for the period ending on the relevant Reference Date and be included in the Compliance Certificate delivered in connection therewith. The first test date for the Maintenance Test shall be 30 September 2016.

## 12.7 **Loans out**

The Issuer shall not, and shall procure that none of its Subsidiaries, provide any loan to any party other than to (a) another Group Company or a Project Entity or any associated company (Sw. intressebolag) in the ordinary course of business or (b) Sveamalm fastigheter AB in the approximate amount of SEK 1,250,000, or (c) an external party if such loan is provided: (i) on market terms or better, (ii) in relation to a Project and (iii) in the ordinary course of business. For the avoidance of doubt, any Issuer Loans shall always be subject to the Issuer Loans Pledge Agreement.

## 12.8 **Disposals of assets**

The Issuer shall not, and shall procure that no Subsidiary, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out on market terms and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. The Issuer shall only be obliged to notify the Trustee of any such transaction if such transaction is not within the ordinary course of business and, if not within the ordinary course of business the Issuer shall upon request by the Trustee, provide the Trustee with any information relating to the transaction which the Trustee deems necessary (acting reasonably).

## 12.9 **Negative Pledge**

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

## 12.10 **Dealings with related parties**

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

## 12.11 **Security**

The Issuer shall ensure that all shares in the Issuer's Direct Subsidiaries and any Issuer Loans are pledged in favour of the Trustee and the Holders (represented by the Trustee) as first ranking security in accordance with the Share Pledge Agreements and the Issuer Loans Pledge Agreement satisfactory to the Trustee (acting reasonably).

## 12.12 **Compliance with laws etcetera**

The Issuer shall, and shall procure that the Subsidiaries, (i) comply in all material respects with all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq Stockholm or First North Stockholm on which the Issuer's securities from time to time are listed, and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

## 12.13 **Insurance**

The Issuer shall, and shall procure that all other Group Companies and Project Entities keep the properties insured to an extent which is customary for similar properties on the relevant geographical market with one or more reputable insurers. The insurance cover shall inter alia include full value insurance and third party liability insurances.

## 12.14 **Project undertakings**

The Issuer shall ensure that:

- (i) the majority of the Projects (in relation to square meter floor area) (Sw. *boarea*) are carried out within the Greater Stockholm region, including Uppsala;
- (ii) the majority of all Projects (in relation to square meter floor area) (Sw. *boarea*) are carried out for the purpose of building residential properties; and
- (iii) no Project Entity commences the construction of a Project unless, on a Group level, the relevant apartments, houses or any other form of applicable housing in relation to all Projects (including the Project in question) have been either sold (whereby sold means that binding pre-agreements (Sw. *förhandsavtal*) in accordance with the Housing Cooperative Act (Sw. *Bostadsrättslag (1991:614)*) have been entered into) or rented out (as applicable) to a third party to at least 60% in the aggregate.

## 12.15 **Financial reporting etcetera**

### 12.15.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website not later than 4 months after the expiry of each financial year;
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website not later than 2 months after the expiry of each relevant interim period;
- (c) issue a Compliance Certificate to the Trustee in connection with publishing a Financial Report and in connection with the incurrence of a Permitted Debt (if such Permitted Debt constitutes a Market Loan or a long term bank loan), a Subsequent Bond Issue or a Restricted Payment (that requires that the Incurrence Test is met);
- (d) keep the latest version of the Terms and Conditions available on the website of the Group;
- (e) promptly notify the Trustee (and, as regards a Change of Control Event the Holders) when the Issuer is or becomes aware of (i) the occurrence of a Change of Control Event or (ii) that an Event of Default has occurred, and shall provide the Trustee with such further information as the Trustee may request (acting reasonably) following receipt of such notice.

12.15.2 When the Bonds have been listed on Nasdaq Stockholm, the reports referred to under Clause 11.15.1 (a) and (b) above shall, in addition, be prepared in accordance with IFRS and made available in accordance with the rules and regulations of Nasdaq Stockholm (as amended from time to time) and the Swedish Securities Market Act (Sw. *lag (2007:528) om värdepappersmarknaden*) (as amended from time to time) and when the Bonds have been listed at the corporate bond list on First North Stockholm, the Issuer shall make the reports referred to under Clause 11.15.1(a) and (b) above available, and any other

information required, in accordance with the rules and regulations of First North Stockholm.

- 12.15.3 The Issuer shall notify the Trustee of any transaction which is not within the ordinary course of business as referred to in Clause 12.8 (*Disposals of assets*) and the Issuer shall, upon request by the Trustee, provide the Trustee with (i) any information relating to such transaction which the Trustee deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Trustee may assume that any information provided by the Issuer is correct, and the Trustee shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Trustee is not responsible for assessing if the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (ii) above.

## 12.16 **Trustee Agreement**

- 12.16.1 The Issuer shall, in accordance with the Trustee Agreement:

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

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

## 12.17 **CSD related undertakings**

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

## 13. **CONDITIONS PRECEDENT FOR DISBURSEMENT OF THE NET PROCEEDS**

- 13.1 The Trustee's approval of the disbursement from the Escrow Account of the Net Proceeds from the Initial Bond Issue is subject to the events having taken place and following documents being received by the Trustee, in the form and substance satisfactory to the Trustee (acting reasonably):
- (a) relevant corporate resolutions applicable for the Initial Bond Issue (for the avoidance of doubt, excluding corporate resolution in relation to redemption of Preference Shares);
  - (b) duly executed copies of the Finance Documents; and

- (c) evidence that the security under the Security Documents have been duly provided and perfected (as applicable, and as regards Issuer Loans, any Issuer Loans outstanding as of the First Issue Date).

When the conditions precedent for disbursement set out in (a) to (c) above have been fulfilled to the satisfaction of the Trustee (acting reasonably), the Trustee shall, upon the Issuer's request, instruct the account bank to release the funds from the Escrow Account to be applied in accordance with Clause 4.2 (*Use of proceeds*).

- 13.2 The Trustee may assume that the documentation delivered to it pursuant to Clause 13.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Trustee does not have to verify the contents of any such documentation.

## 14. TERMINATION OF THE BONDS

- 14.1 The Trustee is entitled to, and shall following a demand in writing from a Holder (or Holders) 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 Holder on the second Business Day following the day on which the demand is received by the Trustee and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 14.6 or 14.7, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Trustee determines (such later date not falling later than twenty (20) Business Days from the date on which the Trustee made such declaration), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is caused by administrative or technical error and payment is made within five (5) Business Days of the due date;
- (b) **Other obligations:** The Issuer does not comply with the Finance Documents, in any other way than as set out under (a) above, provided that the Trustee has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Trustee may declare the Bonds payable without such prior written request);
- (c) **Cross-acceleration:** Any Financial Indebtedness of a Material Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Section (c) if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 5,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;
- (d) **Insolvency:**
- (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences

negotiations with its creditors with a view to rescheduling its Financial Indebtedness; or

- (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;
- (e) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:
- (a) the suspension of payment, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company; and
  - (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets or any analogous or step is taken in any jurisdiction;
- (f) **Mergers and demergers:** A decision is made that any Material Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged;
- (g) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding SEK 5,000,000 and is not discharged within sixty (60) calendar days;
- (h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfill or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable; or
- (i) **Continuation of the business:** The Issuer or any other Material Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect.
- 14.2 The Trustee may not terminate the Bonds in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under Clause 14.1 (d).
- 14.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 14.4 The Issuer is obliged to inform the Trustee immediately if any circumstance of the type specified in Clause 14.1 should occur. Should the Trustee not receive such information,

- the Trustee is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Trustee does not have knowledge of such circumstance. The Trustee is under no obligations to make any investigations relating to the circumstances specified in Clause 14.1. The Issuer shall further, at the request of the Trustee, provide the Trustee with details of any circumstances referred to in Clause 14.1 and provide the Trustee with all documents that may be of significance for the application of this Clause 14.
- 14.5 The Issuer is only obliged to inform the Trustee according to Clause 14.4 if informing the Trustee would not conflict with any statute or the Issuer's registration contract with First North Stockholm or Nasdaq Stockholm (as applicable). If such a conflict would exist pursuant to the listing contract with First North Stockholm, Nasdaq Stockholm or otherwise, the Issuer shall however be obliged to either seek the approval from First North Stockholm or Nasdaq Stockholm or undertake other reasonable measures, including entering into a non-disclosure agreement with the Trustee, in order to be able to timely inform the Trustee according to Clause 14.4.
- 14.6 If the Trustee has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 14.1, the Trustee shall (i) notify, within five (5) Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Trustee has decided not to terminate the Bonds, the Trustee shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 16 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Trustee to terminate the Bonds, the Trustee shall promptly declare the Bonds terminated. However, if the cause for termination according to the Trustee's appraisal has ceased before the termination, the Trustee shall not terminate the Bonds. The Trustee shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Trustee shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 14.7 If the Holders, without any prior initiative to decision from the Trustee or the Issuer, have made a decision regarding termination in accordance with Clause 16 (*Decisions by Holders*), the Trustee shall promptly declare the Bonds terminated. The Trustee is however not liable to take action if the Trustee considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Trustee harmless from any loss or liability and, if requested by the Trustee in its discretion, grant sufficient security for such indemnity.
- 14.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 14, the Trustee shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 14.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 14 without relevant decision by the Trustee or following instructions from the Holders' pursuant to Clause 16 (*Decisions by Holders*).

- 14.10 If the Bonds are declared due and payable in accordance with this Clause 14, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Amount for the relevant period and shall for the non-call period (until the First Call Date) be the price set out in paragraph (a) of the Call Option Amount definition, (plus accrued and unpaid Interest).

## **15. DISTRIBUTION OF PROCEEDS**

- 15.1 If the Bonds have been declared due and payable in accordance with Clause 14 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Trustee:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee, (ii) other costs, expenses and indemnities relating to the termination of the Bonds, the enforcement of the security interest created under the Security Documents, or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Trustee for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Trustee in relation to a Holders' Meeting or a Written Procedure;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Bonds.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer. The application of proceeds in accordance with paragraphs (a) to (d) above shall, however, not restrict a Holders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

- 15.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1.
- 15.3 Funds that the Trustee receives (directly or indirectly) in connection with the termination of the Bonds and/or enforcement of any or all of the security constitute escrow funds according to the Escrow Funds Act and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Trustee shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- 15.4 If the Issuer or the Trustee shall make any payment under this Clause 15, the Issuer or the Trustee, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the

payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

## 16. DECISIONS BY HOLDERS

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

16.2 Any request from the Issuer or a Holder (or Holders) 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 Holder on the Business Day immediately following the day on which the request is received by the Trustee and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to the Finance Documents shall be directed to the Trustee and dealt with at a Holders' Meeting or by way of a Written Procedure, as determined by the Trustee. The Person requesting the decision may suggest the form for decision making, but if it is in the Trustee's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.

16.3 The Trustee may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Trustee that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

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

- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 18.3, in respect of a Written Procedure,

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

16.5 The following matters shall require consent of Holders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:

- (a) waive a breach of or amend an undertaking set out in Clause 12 (*Special undertakings*);
- (b) release any security provided under the Security Documents;
- (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;

- (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
  - (e) amend the provisions in this Clause 16.5 or 16.6
- 16.6 Any matter not covered by Clause 16.5 shall require the consent of Holders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3. This includes, but is not limited to, any amendment to or waiver of the terms of any Finance Documents that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 19.1 (a), (b) or (c)), a termination of the Bonds or the enforcement of any security under the Security Documents.
- 16.7 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Holders' Meeting or the Trustee in a Written Procedure, will prevail. The chairman at a Holders' Meeting shall be appointed by the Holders in accordance with Clause 16.6.
- 16.8 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.9 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Trustee or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 16.8 shall not apply to such second Holders' Meeting or Written Procedure.
- 16.10 Any decision which extends or increases the obligations of the Issuer or the Trustee, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Trustee, under the Finance Documents shall be subject to the Issuer's or the Trustee's consent, as appropriate.
- 16.11 A Holder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.13 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at

- the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 16.14 All costs and expenses incurred by the Issuer or the Trustee for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Trustee, shall be paid by the Issuer.
- 16.15 If a decision shall be taken by the Holders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Trustee provide the Trustee with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Trustee shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 16.16 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Trustee, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Trustee, as applicable.

## **17. HOLDERS' MEETING**

- 17.1 The Trustee shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Trustee shall send a copy of the notice to the Issuer.
- 17.2 Should the Issuer want to replace the Trustee, it may convene a Holders' Meeting in accordance with Clause 17.1 with a copy to the Trustee. After a request from the Holders pursuant to Clause 20.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 17.1.
- 17.3 The notice pursuant to Clause 17.1 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 Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 17.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 17.5 If the Trustee, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the

- Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Trustee, the meeting shall be opened by a Person appointed by the requesting Person.
- 17.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Trustee may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 17.7 Without amending or varying these Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Trustee may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

## **18. WRITTEN PROCEDURE**

- 18.1 The Trustee shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Trustee shall send a copy of the communication to the Issuer.
- 18.2 Should the Issuer want to replace the Trustee, it may send a communication in accordance with Clause 18.1 to each Holder with a copy to the Trustee.
- 18.3 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Holders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 18.1), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 18.4 If the Trustee, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 18.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clause 16.5 and 16.6 have been received in a Written Procedure, the relevant decision

shall be deemed to be adopted pursuant to Clause 16.5 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19. AMENDMENTS AND WAIVERS**

19.1 The Issuer and the Trustee (acting on behalf of the Holders) may agree to amend the Finance Documents or waive any provision in the Finance Documents, provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
- (c) such amendment or waiver is necessary for the purpose of listing the Bonds on First North Stockholm or the corporate bond list of Nasdaq Stockholm (as applicable), provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
- (d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 16 (*Decisions by Holders*).

19.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.

19.3 The Trustee shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Trustee. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

19.4 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Trustee, as the case may be.

## **20. APPOINTMENT AND REPLACEMENT OF THE TRUSTEE**

### **20.1 Appointment of Trustee**

20.1.1 By subscribing for Bonds, each initial Holder appoints the Trustee to act as its trustee and security agent in all matters relating to the Bonds and the Finance Documents, and authorises the Trustee to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Holder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Trustee to act on its behalf.

- 20.1.2 Each Holder shall immediately upon request by the Trustee provide the Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Trustee), as the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Trustee is under no obligation to represent a Holder which does not comply with such request.
- 20.1.3 The Issuer shall promptly upon request provide the Trustee with any documents and other assistance (in form and substance satisfactory to the Trustee), that the Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 20.1.4 The Trustee 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 Trustee's obligations as trustee and security agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Trustee may act as trustee and/or security agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- 20.2 Duties of the Trustee**
- 20.2.1 The Trustee shall represent the Holders in accordance with the Finance Documents. However, the Trustee is not responsible for the execution or enforceability of the Finance Documents. The Trustee shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Trustee.
- 20.2.2 Upon request by a Holder, the Trustee shall promptly distribute to the Holders any information from such Holder which relates to the Bonds (at the discretion of the Trustee). The Trustee may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Trustee in doing so (including a reasonable fee for the work of the Trustee) before any such information is distributed. The Trustee shall upon request by a Holder disclose the identity of any other Holder who has consented to the Trustee in doing so.
- 20.2.3 When acting in accordance with the Finance Documents, the Trustee is always acting with binding effect on behalf of the Holders. The Trustee shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 20.2.4 The Trustee is entitled to delegate its duties to other professional parties, but the Trustee shall remain liable for the actions of such parties under the Finance Documents.
- 20.2.5 The Trustee shall treat all Holders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 20.2.6 The Trustee shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the

- Trustee may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 20.2.7 The Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Trustee pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Trustee reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Trustee reasonably believes may be detrimental to the interests of the Holders under the Finance Documents or (iii) when the Trustee is to make a determination under the Finance Documents. Any compensation for damages or other recoveries received by the Trustee 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 15 (*Distribution of proceeds*).
- 20.2.8 The Trustee shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Trustee, as may be necessary in order for the Trustee to carry out its duties under the Finance Documents.
- 20.2.9 Notwithstanding any other provision of the Finance Documents to the contrary, the Trustee 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.
- 20.2.10 If in the Trustee's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Trustee) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Trustee 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.
- 20.2.11 The Trustee shall give a notice to the Holders (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 Trustee under the Finance Documents, or (ii) if it refrains from acting for any reason described in Clause 20.2.10.
- 20.3 **Limited liability for the Trustee**
- 20.3.1 The Trustee will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with the Finance Documents, unless directly caused by its negligence or wilful misconduct. The Trustee shall never be responsible for indirect loss.
- 20.3.2 The Trustee shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Trustee or if the Trustee has acted with reasonable care in a situation when the Trustee considers that it is detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 20.3.3 The Trustee 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

Trustee to the Holders, provided that the Trustee has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Trustee for that purpose.

- 20.3.4 The Trustee shall have no liability to the Holders for damage caused by the Trustee acting in accordance with instructions of the Holders given in accordance with Clause 16 (*Decisions by Holders*).
- 20.3.5 Any liability towards the Issuer which is incurred by the Trustee 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 Holders under the Finance Documents.

## 20.4 **Replacement of the Trustee**

- 20.4.1 Subject to Clause 20.4.6, the Trustee may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Trustee at a Holders' Meeting convened by the retiring Trustee or by way of Written Procedure initiated by the retiring Trustee.
- 20.4.2 Subject to Clause 20.4.6, if the Trustee is insolvent, the Trustee shall be deemed to resign as Trustee and the Issuer shall within ten (10) Business Days appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.3 A Holder (or Holders) 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 Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Trustee and appointing a new Trustee. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Trustee be dismissed and a new Trustee appointed.
- 20.4.4 If the Holders have not appointed a successor Trustee within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Trustee was dismissed through a decision by the Holders, the Issuer shall appoint a successor Trustee which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.5 The retiring Trustee shall, at its own cost, make available to the successor Trustee such documents and records and provide such assistance as the successor Trustee may reasonably request for the purposes of performing its functions as Trustee under the Finance Documents.
- 20.4.6 The Trustee's resignation or dismissal shall only take effect upon the appointment of a successor Trustee and acceptance by such successor Trustee of such appointment and the execution of all necessary documentation to effectively substitute the retiring Trustee.
- 20.4.7 Upon the appointment of a successor, the retiring Trustee 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 Trustee. Its successor, the Issuer and each of the Holders 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 Trustee.

- 20.4.8 In the event that there is a change of the Trustee in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Trustee may reasonably require for the purpose of vesting in such new Trustee the rights, powers and obligation of the Trustee and releasing the retiring Trustee from its further obligations under the Finance Documents. Unless the Issuer and the new Trustee agrees otherwise, the new Trustee shall be entitled to the same fees and the same indemnities as the retiring Trustee.

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

- 21.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- 21.2 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. APPOINTMENT AND REPLACEMENT OF THE CSD**

- 22.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 22.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the listing of the Bonds listed on First North Stockholm or the corporate bond list of Nasdaq Stockholm. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*).

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

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

- 23.2 Clause 23.1 shall not apply if the Trustee has been instructed by the Holders 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 Holder to provide documents in accordance with Clause 20.1.2), 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 Trustee under the Finance Documents or by any reason described in Clause 20.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.11 before a Holder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 11.4 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Holders.

## **24. TIME-BAR**

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

## **25. NOTICES AND PRESS RELEASES**

### **25.1 Notices**

- 25.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Trustee, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address as notified by the Trustee to the Issuer from time to time;
  - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Trustee, to such email address as notified by the Issuer to the Trustee from time to time; and

(c) if to the Holders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the Business Day prior to dispatch, and by either courier delivery or letter for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Trustee.

25.1.2 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 (and, if between the Trustee 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 25.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1 or, in case of email to the Trustee or the Issuer, when received in legible form by the email address specified in Clause 25.1.1.

25.1.3 Failure to send a notice or other communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

## 25.2 **Press releases**

25.2.1 Any notice that the Issuer or the Trustee shall send to the Holders pursuant to Clauses 11.3, 11.4, 12.15.1 (e), 14.6, 15.4, 16.16, 17.1, 18.1, 19.3, 20.2.11 and 20.4.1 shall also be published by way of press release by the Issuer or the Trustee, as applicable.

25.2.2 In addition to Clause 25.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Trustee may send to the Holders under these Terms and Conditions has not already been made public by way of a press release, the Trustee shall before it sends such information to the Holders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Trustee considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Holders, the Trustee shall be entitled to issue such press release.

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

26.1 Neither the Trustee 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 Trustee or the Issuing Agent itself takes such measures, or is subject to such measures.

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

26.3 Should a Force Majeure Event arise which prevents the Trustee or the Issuing Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.

26.4 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

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

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

27.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 27.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.

27.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Trustee (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

\_\_\_\_\_

We hereby certify that the above Terms and Conditions are binding upon ourselves.

Place: \_\_\_\_\_

TOBIN PROPERTIES AB (PUBL)  
as Issuer

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

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

Place: \_\_\_\_\_

NORDIC TRUSTEE & AGENCY AB (PUBL)  
as Trustee

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

**ADDRESSES****ISSUER****Tobin Properties AB (publ)**

Humlegårdsgatan 19A  
114 46 Stockholm  
Tel.: +46 8 120 500 00

**ISSUING AGENT****Pareto Securities AB**

Box 7415  
103 91 Stockholm  
Sweden  
Tel: +46 8 402 50 00

**JOINT BOOKRUNNERS****Pareto Securities AB**

and

**ABG Sundal Collier AB****LEGAL COUNSEL****Setterwalls Advokatbyrå AB**

Sturegatan 10  
P.O. Box 1050  
SE-101 39 Stockholm  
Sweden  
Tel.: +46 8 598 890 00  
Fax: +46 8 598 890 90

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

P.O. Box 7329  
SE-103 90 Stockholm  
Tel.: +46 8 783 7900

**AUDITOR****Grant Thornton Sweden AB**

Box 7623, 103 94  
Tel.: +46 (0)8 563 070 00

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

Box 191  
SE-101 23 Stockholm  
Sweden  
Tel.: 08-402 90 00