

# EMILSHUS

**Fastighetsbolaget Emilshus AB (publ)**

**Prospectus for the admission to trading of SEK 150,000,000  
Senior Unsecured Floating Rate Notes 2019/2022**

**ISIN: SE0013409265**

*Issuing Agent*

**ABG Sundal Collier ASA**

**17 March 2021**

*The validity of this Prospectus will expire twelve (12) months from the date hereof. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.*

## IMPORTANT NOTICE

This prospectus (the “**Prospectus**”) has been prepared by Fastighetsbolaget Emilshus AB (publ), Reg. No. 559164-8752 (the “**Company**”, the “**Issuer**” or “**Emilshus**”), in relation to the application for admission to trading of notes issued on 17 March 2021 under the Company’s maximum SEK 500,000,000 senior unsecured floating rate notes 2019/2022 with ISIN SE0013409265 (the “**Notes**”) on the corporate bond list of Nasdaq Stockholm Aktiebolag, Reg. No. 556420-8394 (“**Nasdaq Stockholm**”). The Company has issued initial notes of SEK 300,000,000 on 9 December 2019 (the “**Initial Note Issue**”) and subsequent notes of SEK 150,000,000 on 17 March 2021 (“**First Subsequent Note Issue**”). The Company may on one or more occasions after the Initial Note Issue and the First Subsequent Note Issue issue subsequent notes (“**Subsequent Note Issues**”) under the terms and conditions of the Notes (the “**Terms and Conditions**”), until the total amount under any Subsequent Note Issue(s), the Initial Note Issue and the First Subsequent Note Issue equals SEK 500,000,000. For the avoidance of doubt, this Prospectus has not been prepared for the purpose of any Subsequent Note Issue other than the First Subsequent Note Issue. ABG Sundal Collier ASA (the “**Issuing Agent**”) has acted as a financial advisor to the Company in relation to the listing of the Notes on Nasdaq Stockholm.

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

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by auditors.

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

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company’s management or are assumptions based on information available to the Company or its subsidiaries (the “**Group**”). The words “consider”, “intends”, “deems”, “expects”, “anticipates”, “plans” and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future 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 Company’s operations. An investment in the Notes is associated with risks and risk taking. Anyone considering investing in the Notes is therefore encouraged to carefully study the Prospectus, in particular the section “*Risk Factors*”. Each potential investor should make its own assessment as to the suitability of investing in the Notes in the light of its own circumstances.

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

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# SUMMARY

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## Section 1 – Introduction and Warnings

### Introduction

This Prospectus has been drawn up in relation to the admission to trading of SEK 150,000,000 senior unsecured floating rate Notes of the Issuer. The legal name of the Issuer is Fastighetsbolaget Emilshus AB, Reg. No. 559164-8752, a Swedish public limited liability company having its registered office in the municipality of Vetlanda, Sweden, its registered address is box 177, 574 22 Vetlanda, Sweden, and with telephone number +46 (0)383-212 00. The Company's legal entity identifier (LEI) is 5493004EO7GR5U8PRK21. The Notes will be uniquely identified by the ISIN SE0013409265.

The Competent authority, which approved this Prospectus on 17 March 2021, is the Swedish Financial Supervisory Authority (Sw. Finansinspektionen), with postal address Finansinspektionen, P.O. Box 7821, 103 97 Stockholm (Sweden) and visiting address Brunnsgatan 3, 111 38 Stockholm (Sweden), and with telephone number +46 (0)8 408 980 00, and website fi.se.

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

## Section 2 – Key information on the Issuer

### Who is the issuer of the securities?

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

The Company is a public limited liability company, incorporated in Sweden and governed by the laws of Sweden, including but not limited to the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*). The Company is domiciled in Vetlanda, Sweden. The Company's legal entity identifier (LEI) is 5493004EO7GR5U8PRK21.

#### *Principal activities*

Emilshus is a public limited liability company with a strategic focus on commercial properties in growth areas in Småland. The Company's focus is to get high direct returns, by having long leases with well-known tenants with high rental payment ability. The Company's operations are mainly run through its subsidiaries and affiliated companies. Emilshus strategies to achieve the goals of high returns and stable cash flows, are to maintain an active management and long-term collaboration with the tenants. The quality of the Company is ensured by having extensive market knowledge within the fields of management and ownership.

### Major shareholders

As of the date of this Prospectus, the shares in the Company are held by the companies listed below.

<b>COMPANY, CORPORATE REGISTRATION NUMBER</b>	<b>SHARES A</b>	<b>SHARES B</b>	<b>PARTICIPATIONS %</b>
<b>Aptare Holding AB,</b> Reg. No 556669-3205	444,000	1,821,455	37.5%
<b>Fastighetsaktiebolaget Apicius,</b> Reg. No 559015-8902*	303,355	1,213,421	25.1%
<b>NP3 Fastigheter AB,</b> Reg. No 556749-1963	242,112	980,385	20.2%
<b>Other shareholders</b>	163,322	872,530	17.2%
<b>TOTAL SHARES</b>	1,152,789	4,887,791	100%

\*Wholly-owned subsidiary of AB Sagax

### Board of Directors and management

The Company's Board of Directors consists of six ordinary board members, Johan Ericsson (chairman), Liselotte Hjorth, Jakob Fyrberg, Elisabeth Thuresson, Lars Göran Bäckvall and Pierre Folkesson, appointed for the period until the end of the annual general meeting to be held in 2021. The Company's chief executive officer is Jakob Fyrberg, its chief financial officer is Jonas Karlsson.

### Auditor

The Company's auditor is presently the accounting firm Ernst & Young Aktiebolag with auditor Ingemar Rindstig as auditor in charge.

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

The Company's consolidated financial statement for the financial period 5 July 2018 to 30 September 2018 has been prepared in accordance with International Standards on Audition ("ISA") and the rules of professional ethics for accountants in Sweden. The Company's consolidated financial statement for the financial period, 1 October 2018 to 31 December 2018, the Company's consolidated financial statement for the financial year 2019, and the Company's consolidated interim report for the financial year 2020, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the interpretations provided by the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the EU. The current financial year of 2021 runs in accordance with the calendar year.

The annual reports of the Company have been audited by the Company's auditor. The Company's consolidated interim report for the financial year 2020, has not been audited or reviewed by the Company's auditor. Other than the auditing of the Company's annual reports, the Company's auditors have not audited or reviewed any part of this Prospectus.

### Consolidated income statement for the Group

<b>TSEK</b>	<b>Jan - Dec 2019</b>	<b>Oct - Dec 2018</b>	<b>July - Sept 2018</b>	<b>Jan- Dec 2020</b>
Operating profit/loss	46,342	6,835	-9	85,553

### Consolidated balance sheet for the Group

<i>TSEK</i>	Jan - Dec 2019	Oct - Dec 2018	July - Sept 2018	Jan- Dec 2020
Net financial debt (long term debt plus short term debt minus cash)	785,678	440,659	542,406	1,784,593

### Consolidated cash flow statement for the Group

<i>TSEK</i>	Jan - Dec 2019	Oct - Dec 2018	July - Sept 2018	Jan- Dec 2020
Cash flow from operating activities	81,067	-18,490	48 684	106,520
Cash flow from financing activities	933,610	27,904	629 139	725,178
Cash flow from investing activities	-746,781	-7,108	-665 555	-1,035,158

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

#### *Financing or refinancing its operations*

The Group may not be able to finance its operations or refinance its existing indebtedness.

#### *Interest risks*

The interest rates may change and affect the Group's interest expense, which is one of the Group's main costs.

#### *The value of the Group's property portfolio may decrease*

As a result of various factors, the value of the Group's properties may decrease.

#### *Rental income and vacancy rates*

The amount of rental income received may decline, which is the Group's sole source of income.

### Section 3 – Key information on the securities

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

#### *Type, class and ISIN*

Senior unsecured floating rate Notes with ISIN SE0013409265 (debt instruments (Sw. *skuldförbindelser*)). The Notes are denominated in SEK.

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

The Notes are denominated in SEK and have a nominal amount of SEK 1,000,000 and the minimum permissible investment in relation to each issue of Notes is SEK 2,000,000. This Prospectus relates to the 150 notes issued on 17 March 2021.

#### *Rights attached to the Notes*

The Notes constitute direct, general unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among them and at least pari passu with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law. In the event of the Issuer's liquidation, company reorganisation or bankruptcy the Noteholders will normally receive payment after any prioritised creditors.

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

#### *Status of the Notes*

The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among them and at least pari passu with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those

obligations which are mandatorily preferred by law.

#### *Transferability*

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

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

The Issuer shall ensure that the Notes shall be listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market, as applicable). An application has been made to increase the volume of listed Notes, the application remains subject to Nasdaq Stockholm's approval.

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

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

The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, which entails that in the event of insolvency in the Issuer, all of the Issuer's secured obligations must first be satisfied, potentially leaving insufficient assets in the Issuer to satisfy the claims of the Noteholders.

#### **Section 4 – Key information on the admission to trading on a regulated market**

#### **Why is this prospectus being produced?**

The Notes form part of the Company's debt financing on the capital market and this Prospectus has been prepared for the purposes of admitting the Notes to trading on the corporate bond list of Nasdaq Stockholm. The Issuer shall use the Net Proceeds for purposes of acquisitions and refinancing and other general corporate purposes.

#### **Details of the admission to trading on Nasdaq Stockholm**

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

#### **Use and estimated net amount of proceeds**

The estimated net amount of proceeds from the notes issued in the First Subsequent Note Issue is SEK 150,000,000 less customary transaction costs and fees. The Net Proceeds from the issue of the Notes shall be applied for purposes of acquisitions, refinancing and other general corporate purposes.

#### **Material conflicts**

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

## RISK FACTORS

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This section features risk factors related to investments in the Notes. The risks are organised in two main categories, risk factors specific to the Issuer and the Group, and risk factors specific to the Notes, the former with subsequent subcategories. If a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. The risk factors have been given a risk rating where the materiality has been determined based on both the probability of occurrence and the expected magnitude of negative impact of the risk. The most material risk factor in a category is presented first under that category.

### RISK FACTORS SPECIFIC TO THE ISSUER AND THE GROUP

#### Risks related to the Group's financial situation

##### *Financing or refinancing its operations*

The Group's ability to finance its operations or refinance its existing indebtedness depends on a number of factors, such as market conditions such as the availability of cash flows from operations and access to additional debt and equity financing, and there can be no assurance that such funds will be available at a commercially reasonable cost, or at all. As per 31 December 2020, the Group's interest-bearing liabilities amounted to MSEK 1,731. Approximately 8 per cent. of the Groups term loans matures in 2021, 47 per cent. in 2022 and 45 per cent. in 2023. There can be no assurance that the Group will be able to incur additional debt and/or refinance its existing debt when it matures.

The failure to obtain sufficient funding could have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, the Group may encounter difficulties in financing its capital investments, which may prevent the realisation of its strategic plans and could result in the Group having to forgo opportunities that may arise in the future. This, in turn, could have a material adverse effect on the Group's competitive position.

Risk rating: Medium

##### *Interest risks*

The Group is exposed to interest rate risk, interest rate fluctuations may lead to changes in market values and cash flows as well as fluctuations in the Group's profits. Other than equity, the Group's operations are mainly financed by loans from credit institutions and issue of notes. Interest expenses are therefore one of the Group's main cost items. As per 31 December 2020, the Group had interest-bearing liabilities in a total amount of approximately MSEK 1,731, with an average interest rate of approximately 2.8 per cent.

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

Risk rating: Medium

##### *Covenants in financing agreements*

Some of the Group's external financing agreements contain terms and conditions which impose restrictions on the Group's business. If a Group company is in breach of any of its covenants (e.g. change-of-control covenants, financial covenants etc.) in its loan agreements, it could lead to loans being accelerated, leading to immediate repayment or the creditor taking possession of security. A breach of any covenant could negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes.

Risk rating: Medium

##### *Holding company risks*

The Issuer is a holding company and the Group's operations are mainly run through its subsidiaries which account for all of the Group's aggregate turnover. The Issuer's ability to make required payments of interest on its debts and funding is affected by the ability of its subsidiaries to transfer available funds to it, and hence the Issuer is dependent



on its subsidiaries to fulfil its obligations under the Notes. The subsidiaries intend to provide the Issuer with liquidity by way of intra-group loans, dividends or other transfers of value in order for the Issuer to fulfil its obligations under the Notes. The transfer of funds to the Issuer from its subsidiaries may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiary, including the relevant subsidiaries' financing arrangements. If the subsidiaries do not provide liquidity, or due to other circumstances, conditions, laws or regulations are prevented from providing liquidity to the Issuer, there is a risk that the Issuer will not be able to fulfil its obligations under the Notes.

Risk rating: Low

### **Risks related to the Group's business activities and industry**

#### *The value of the Group's property portfolio may decrease*

The Group's property portfolio is recognised in the statement of financial position at fair value, and the changes in value are recognised in profit or loss. As per 31 December 2020, the Group's property value amounted to MSEK 2,715 with unrealised changes in property value amounting to MSEK 138. The value of the properties is affected not only by supply and demand in the market but also by a number of other factors, in part property-specific factors such as the leasing rate, rental rates and operating expenses, and in part such market-specific factors as the required yield and the cost of capital, which are derived from comparable transactions in the property market. If the value of the Group's properties decreases, causing the Group to write down the value of its properties, it could result in a number of consequences, such as a breach of the covenants in any of the Company's financing agreements, which in turn could result in such financing agreements being accelerated prior to maturity and consequently affecting the liquidity of the Group.

Risk rating: Medium

#### *Rental income and vacancy rates*

Considering the Group's business focus, the Group's income is highly correlated with rental rates and vacancy rates. The Group's income derives solely from rental income, and the Group's vacancy rate as per 31 December 2020 amounted to 3 per cent.

Both rental and vacancy rates are highly affected by overall growth in the Swedish economy but also growth at regional and local levels where the Group conducts operations, in addition to such macroeconomic factors, loss of rental income or increasing vacancies are also related to the concentration of tenants and contractual structure. Fewer and larger tenants, a demographical concentration of tenants, short lease tenures, a concentration of leases with similar expiry dates or a combination thereof, may increase the Group's exposure to higher vacancy rates or decreased rental income. As per 31 December 2020, the Group's ten largest rental contracts accounted for approximately 42 per cent. of the Group's total rental income and the average termination period under such rental contracts was approximately 6.3 years. The total income of the largest tenant accounted for approximately MSEK 10.2, being 8 per cent. of the total rental income.

If tenants fail to fully meet their commitments in accordance with the lease, this may also lead to higher vacancy rates with a resulting reduction in property value. If one or more of the Group's more important tenants does not renew or extend a lease once it has expired, this will result in reduced rental income and higher vacancy rate, should the Group be unable to attract new tenants and/or obtain equivalent rental income from new tenants. Furthermore, rental rates are dependent on the trend in current market rents. A long-term downward trend in market rents adversely impacts the Group's rental income and a recession increases the risk of large-scale vacancies in the portfolio. When a vacancy occurs, this could entail costs for customising the premises for a new tenant and a risk that the vacancy will be long-term. Decreasing rental rates or increasing vacancy rates may have a material adverse effect on the Group's business, results of operations and financial position.

Risk rating: Medium

*The Group is to a certain extent dependent on retail lessees*

The Group's sole source of income is rental income. To generate this rental income The Group relies on certain types of lessees, including retail lessees accounting for approximately 36 per cent. of the Group's total rental income. Amid the rapid expansion of e-commerce, retail in particular has been subject to higher default rates leading to increased vacancies in retail spaces. Should it not be possible to offset increasing vacancies in retail spaces with retail content other lessee content, it may have an adverse effect on the Group's earnings.

Risk rating: Medium

*Increased or unforeseen operating and maintenance costs*

For the financial year of 2020 the Group had aggregated operating and maintenance costs in a total amount of MSEK 34.3, accounting for 35 per cent. of the Group's total costs. Operating expenses consist primarily of rates-based costs such as costs for electricity, cleaning, water, heat, and snow clearance. Several of these costs are for goods and services that can only be purchased from one or a small number of entities, which could affect the price. Furthermore, the costs for electricity, heat and snow clearance are dependent on weather conditions. It may not be possible to offset higher operating and maintenance costs by regulating them in the terms of the lease or renegotiating the lease to raise the rent, this could negatively affect the Group's earnings.

Maintenance costs are primarily attributable to measures aimed at upholding a property's standard in the long term or maintaining or modernising it. In order to meet demands from the market, specific tenants or legal requirements, such costs may be substantial and unforeseen, and thereby may, to the extent they are not compensated for by the tenant, have an adverse impact on the Group's earnings.

Risk rating: Medium

*Risk relating to an inability to recruit and retain qualified staff and management*

The Group's organisation is relatively small. The key personnel within the organisation have built up an in-depth knowledge of, and good relationships with, the property market. The Group is therefore dependent on these key personnel to a certain degree, particularly as a large share of the Group's transaction operations is based on short decision-making processes, close relationships with different market operators and in-depth knowledge and insight of the property categories and geographic areas in which the Group operates. The Group's future development therefore depends largely on the knowledge, experience and commitment of Group management and other key personnel. It is essential that the Group retains and continues to motivate leading employees, as well as being able to recruit, retain and develop other qualified senior executives and key employees. If key personnel leave the Group and suitable and experienced replacements cannot be recruited, this could have a negative impact on the Group's operation.

Risk rating: Medium

*Risks in connection with the acquisition and disposal of properties*

Property transactions are part of the Group's operating activities and entail several risks. During the financial year of 2020 the Company acquired properties to a value of approximately MSEK 1,049. When acquiring properties, risks may also exist in the operations that are acquired. For example, tenants may vacate, the acquired operation's accounts may be deficient and/or the operation may be the object of unforeseen environmental or tax claims. Other circumstances may also have an adverse impact on the value of the acquisition target.

Acquisitions may also be associated with risks pertaining to the seller or other operators. A seller may, for example, experience financial difficulties and therefore not have the willingness nor ability to pay compensation in connection with warranty claims. Property agents or other parties acting on someone else's behalf may, for example, act beyond the scope of their mandate or they may provide incorrect information and there are risks of disputes arising concerning the commissions paid to such middlemen.

As part of its property acquisition activity, the Group may also enter into property acquisition agreements without ensuring beforehand that the Group will have sufficient financing for the acquisition. There is a risk associated with these acquisitions that financing cannot be obtained or is available only at sharply increased costs.

The Group's ability to sell parts of its property portfolio on favourable terms depends on the health of the property and transaction market. If the Group is forced to sell parts of its property portfolio in order to finance its business, there is a risk that the Group will not succeed in completing these sales on favourable terms or at all. Should the Group be forced to sell all or parts of its property portfolio, it is probable that the price would be lower than the price the Group would otherwise be able to obtain in an optional sale.

If any of the above risks pertaining to the Group's acquisitions or divestments were to materialise, this could have a negative impact on the Group's operations, financial position and earnings.

Risk rating: Medium

#### *The Group's relatively short history*

The Group was founded in 2018 and consequently has a short history. The Group's third-party relationships with customers have been established relatively recently, making it difficult to evaluate the longevity and strength of those relationships, and their potential impact on the Group's prospects. There is a risk that the Group's strategy and business model will not be successful in achieving the anticipated revenues, which may result in a need for further capital expenditure needs and thereto related consequences.

Risk rating: Low

#### *Coronavirus disease (covid-19) risk*

As a result of the coronavirus (covid-19), states, public authorities and other organisations have imposed laws, guidelines, recommendations, prohibitions and taken other measures for the purpose of limiting the spread of infection. Such measures include, for example, recommendations and restrictions regarding transportation and travel, closing workspaces, schools and other institutions and restrictions on the number of participants at, or the complete ban of, public gatherings and public events (see risk factor "*Covid-19 related legislation*").

To which extent covid-19 will affect the Group's business, earnings and financial position will depend on several factors that the Group cannot identify or assess with precision or certainty. The effects of the covid-19 outbreak may affect the Group's tenants, which in turn can affect the Group by delayed rental income, increased vacancy rates and decreased rental income, which in turn can affect the value of the Group's properties (see risk factors "*Rental income and vacancy rates*", "*The Group is to a certain extent dependent on retail lessees*" and "*The value of the Group's property portfolio may decrease*"). An increased financial uncertainty due to the covid-19 outbreak may also impair the possibility to obtain necessary financing (see risk factor "*Financing or refinancing its operations*"). Factors that may impact the extent that the Group is affected include, *inter alia*, the scope and duration of the pandemic and negative effects on financial, political and market relations.

Risk rating: Low

### **Legal and regulatory risk**

#### *Environmental risks*

According to Swedish legislation, the main rule is that the business operator, either current or former, is responsible for the remediation of a contaminated property. The Group does not conduct any licensable activities in accordance with The Swedish Environmental Code (1998:808) (Sw. *miljöbalken (1998:808)*). However, there could be, or in the past there may have been, tenants on the properties owned directly or indirectly by the Group who conduct operations that require permit in accordance with the Swedish Environmental Code, *i.e.* operators within the meaning of the Environmental Code.

If no operator can perform or pay for the remediation of a contaminated property, the party who has acquired the property can be held responsible for the remediation if the party knew of, or at the time ought to have discovered, the contaminations. The Group owns 56 properties, which means that claims under certain circumstances may be directed against the Group for cleaning-up or after-treatment due to the occurrence of, or suspicion of, contamination in the ground, water areas or groundwater, in order to ensure the property is in such condition as required by the Environmental Code.

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

If changes to legislation and authority requirements were to occur this may lead to increased costs for remediation or after-treatment for current or in the future acquired properties. Further, future changes in applicable laws and regulations and authority requirements may lead to increased costs for the Group and delay the Group's intended development of properties.

Risk rating: Medium

#### *Change in tax legislation*

On 30 March 2017, the Swedish Government Official Report "Certain matters involving properties and stamp duty" (Sw. *Vissa frågor inom fastighets- och stämpelskatteområdet (SOU 2017:27)*) presented its proposal for new rules on the sale of shares in property-owning companies. The starting point for the investigator was to try to equate tax on the direct sales of property and sales through "packaging", whereby the properties are sold indirectly through the transfer of shares in a property-owning company, which currently as a rule does not trigger any capital gains tax. The proposals by the investigator included the introduction of "dissolution" (Sw. *avskattning*) for property sales through packaging, which essentially entails that on the cessation of controlling influence over a company whose assets largely comprise properties (property company), the properties owned by the divested company are regarded as fiscally divested and then reacquired at a price corresponding to market value. This means the difference between the tax assessment value and the market value of properties would be taxed on the external sale of property companies.

The investigator also proposed a reduction in stamp duty to two per cent. and that the property company on dissolution also recognise standard revenue equivalent to 7.09 per cent. of the highest of market value of the properties and the tax assessment value the year preceding the year when the properties are deemed divested. The intention is that the standard revenue should correspond to the stamp duty that would have been paid if the property was sold directly.

As of the date of this material, there is uncertainty whether the government intends to proceed with the investigator's proposal. If the government were to proceed with the proposal in its current or modified form, it is likely that this would lead to a greater tax burden for the Group in future property sales, since the Company's property sales mainly are made by divesting property-owning companies.

Risk rating: Low

#### *Covid-19 related legislation*

On 8 January 2021 the Riksdag passed the "Act regarding special restrictions to prevent the spread of the disease covid-19" (Sw. *Lag (2021:4) om särskilda begränsningar för att förhindra spridning av sjukdomen covid-19*) giving the government (Sw. *regeringen*) extensive authority to implement restrictions to reduce the spread of covid 19. On 10 January 2021 the pandemic act became legally binding and in accordance with it the government has, *inter alia*, passed the so-called Restriction Regulation (Sw. *Begränsningsförelagningen*) introducing legally binding restrictions for gym and sport facilities, bathhouses, shops and malls as well as locations for private gatherings.

The Group cannot predict to which extent the government will pass new or amend existing laws or regulations in accordance with its authority under the pandemic act, or the content of the aforementioned, such new or amended laws and regulations may directly or indirectly have an impact on the Group's or its customers' businesses, could entail increased costs, lower income and restructuring requirements, and could thereby have an adverse impact on the Group's operations, financial position and earnings

Risk rating: Low

#### *Amended legislation, new regulations and other regulatory requirements*

The Group's operations rely heavily on decisions and requirements from authorities concerning property ownership, leases, rental amounts, maintenance, operations, safety regulations, environmental standards, sustainability and so forth. New, amended or terminated laws or regulations, or the application of the aforementioned, which are applicable

to the Group's or its customers' businesses, could entail increased costs, lower income and restructuring requirements, and could thereby have an adverse impact on the Group's operations, financial position and earnings. This is also the case if government authorities were to reach opinions that differ from those of the Group or its customers concerning licensing requirements, the necessity to obtain permits or other business law requirements.

Risk rating: Low

## **RISK FACTORS SPECIFIC TO THE NOTES**

### *Risks related to the Notes being unsecured*

The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law. The Noteholders will normally receive payment after any prioritised creditors in the event of the Issuer's liquidation, company reorganisation or bankruptcy. As per 31 December 2020, the secured obligations of the Group amounted to approximately SEK 1,436 million. Every investor should be aware that by investing in the Notes, it risks losing the entire, or parts of, its investment in the event of the Issuer's liquidation, bankruptcy or company reorganisation.

Risk rating: Low

## **STATEMENT OF RESPONSIBILITY**

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The issuance of the Notes was authorised by a resolution taken by the board of directors of the Company on 11 March 2021, and was subsequently issued by the Company on 17 March 2021.

This Prospectus has been prepared in connection with the Company's application for admission to trading of Notes issued in the First Subsequent Note Issue, in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council, supplemented by the Commission Delegated Regulation (EU) 2019/980 and the Commission Delegated Regulation (EU) 2019/979.

This Prospectus has been approved by the Swedish Financial Supervisory Authority, as competent authority under the Regulation (EU) 2017/1129 of the European Parliament and of the Council. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129 of the European Parliament and of the Council. Such approval should not be considered as an endorsement of the Issuer that is the subject of the Prospectus, nor should it be considered as an endorsement of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

The Company is responsible for the information given in this Prospectus. The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the facts and contain no omissions likely to affect its import. The board of directors is responsible for the information given in this Prospectus only under the conditions and to the extent set forth in Swedish law. 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 omissions likely to affect its import.

Vetlanda, March 2021

**FASTIGHETSBOLAGET EMILSHUS AB (PUBL)**

*The Board of Directors*

## THE NOTES IN BRIEF

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

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<b>Issuer:</b>	Fastighetsbolaget Emilshus AB (publ), a public limited liability company incorporated under the laws of Sweden under Reg. No. 559164-8752.
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<b>Notes:</b>	Debt instruments (Sw. <i>skuldförbindelser</i> ), for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act and which are governed by and issued under the Terms and Conditions, including the Initial Notes and any Subsequent Notes.
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<b>ISIN:</b>	SE0013409265
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<b>Admission to trading:</b>	The Notes shall be listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market, as applicable) promptly, and not later than ten (10) Business Days after the relevant issue date.
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<b>Nominal amount:</b>	The nominal amount of each Note is SEK 1,000,000, less the aggregate amount by which that Note has been repaid in part pursuant to the provisions on Equity Claw Back. The minimum permissible investment in relation to each issue of Notes is SEK 2,000,000.
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<b>Total nominal amount:</b>	The maximum total Nominal Amount of the Notes may not exceed SEK 500,000,000.
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<b>Issue Date:</b>	17 March 2021. The First Issue Date for the Initial Notes was on 9 December 2019.
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<b>Issue Price:</b>	101.336 per cent. of the Nominal Amount.
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<b>Final Maturity Date:</b>	9 December 2022 (three (3) years after the First Issue Date), at which date the Notes shall be redeemed with an amount per Note equal to the Nominal Amount.
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<b>Denomination:</b>	The Notes are denominated in Swedish kronor (SEK).
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<b>Status of the Notes:</b>	The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among them and at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
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<b>Transferability:</b>	The Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
<b>Interest of the Notes:</b>	<p>Three (3) month STIBOR (STIBOR floor at 0 per cent.) plus 5.75 per cent. per annum, with quarterly interest payments in arrears. Interest Period means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant). Any Subsequent Notes will carry Interest at the Interest Rate (i) from, but excluding the Interest Payment Date falling immediately prior to their issuance to (and including) the next succeeding Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).</p> <p>Interest Payment Date means 9 March, 9 June, 9 September and 9 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 9 March 2020 and the last Interest Payment Date shall be the Final Maturity Date (or any final Redemption Date prior thereto).</p> <p>STIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the “Benchmark Regulation”) and is provided by the Financial Swedish Benchmarks AB. As of the date of this Prospectus, the Financial Swedish Benchmarks AB is not part of the register of benchmark administrators held by the European Securities and Markets Authority (“ESMA”) in accordance with article 36 of the Benchmark Regulation.</p>
<b>Certain Covenants:</b>	<p>The Terms and Conditions contain a number of covenants, subject to exceptions and qualifications, which restrict the ability of the Issuer and other Group Companies, including <i>inter alia</i> restrictions on making changes to the nature of their business, limitations on disposals of assets and limitations of dividends and other distributions.</p> <p>The Terms and Conditions also contains financial covenants applicable the Group pursuant to which the Interest Coverage Ratio shall not be less than 2.0:1, the Net Loan to Value shall not exceed seventy (70) per cent. and the Equity Ratio shall exceed twenty-five (25) per cent.</p>
<b>Use of Proceeds:</b>	The Issuer shall use the Net Proceeds for purposes of acquisitions and refinancing and other general corporate purposes.
<b>Early redemption by the Noteholders (put option):</b>	Upon the occurrence of a Change of Control Event or a Listing Failure, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to one hundred and one (101) per cent. of the Nominal Amount together with accrued but unpaid Interest.
<b>Change of control Event:</b>	The occurrence of an event or series of events following the First Issue Date whereby any person or group of persons, other than one or more of the Main Owners, acting in concert, (i) becomes the owner, directly or indirectly, and has the right to vote as it sees fit, for more than fifty (50) per cent. of the total number of shares or votes in



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the Issuer, or (ii) has the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

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**Voluntary total redemption by the Issuer (call option):**

The Issuer may redeem all, but not some only, of the outstanding Notes in full on any Business Day up to but excluding the First Call Date. The Notes shall be redeemed at an amount per Note equal to one hundred (100) per cent. of the Nominal Amount, plus (i) an amount corresponding to 12.5 per cent. of the Floating Rate Margin, (ii) accrued but unpaid interest and (iii) an amount corresponding to all remaining scheduled Interest payments on the Note up to (and including) the First Call Date.

The Issuer may redeem all, but not some only, of the outstanding Notes in full on any Business Day falling within the period starting on (and including) the First Call Date and ending on (but excluding) the Second Call Date. The Notes shall be redeemed at an amount per Note equal to one hundred (100) per cent. of the Nominal Amount plus, (i) an amount corresponding to 12.5 per cent. of the Floating Rate Margin and (ii) accrued but unpaid interest.

The Issuer may redeem all, but not some only, of the outstanding Notes in full on any Business Day falling within the period from the Second Call Date up to but excluding the Final Maturity Date. The Notes shall be redeemed at an amount per Note equal to one hundred (100) per cent. of the Nominal Amount, together with accrued but unpaid interest.

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**Equity Claw Back**

The Issuer may on one occasion, in connection with an Initial Public Offering, repay up to thirty-five (35) per cent. of the Total Nominal Amount, in which case all outstanding Notes shall be partially repaid by way of reducing the Nominal Amount of each Note pro rata. The repayment per Note shall equal the repaid percentage of the outstanding Nominal Amount (rounded down to the nearest SEK 1.00) plus (i) a premium on the repaid amount corresponding to two (2) per cent. of the said amount and (ii) accrued but unpaid interest on the repaid amount.

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**Yield:**

The yield of the Notes is a function of the price for which the Notes have been acquired, the interest rate applicable to the Notes together with any brokerage fees or other cost relating to the acquisition of the Notes.

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**Agent:**

Intertrust (Sweden) AB, Reg. No. 556625-5476, P.O. Box 16285, 103 25 Stockholm, or another party replacing it as agent, in accordance with the Terms and Conditions.

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**Issuing Agent:**

ABG Sundal Collier ASA Reg. No. 883 603 362 P.O. Box 1444 Vika, N-0115 Oslo, or another party replacing it, as Issuing Agent, in accordance with the Terms and Conditions.

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**Notes in book-entry form:**

The Notes are registered for the Noteholders on their respective Securities Accounts and no physical notes are issued. Accordingly, the Notes are registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.

**Jurisdiction:** The 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.

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

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**Costs:** The Issuer shall cover all expenses relating to the listing of the Notes, including, *inter alia*, expenses attributable to the execution of the Prospectus, the listing process of Nasdaq Stockholm, documentation and fees to Euroclear Sweden. The total expenses of the aforementioned actions are estimated to amount to SEK 200,000.

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**Prescription:** The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.

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**Advisers:** Advokatfirman Glimstedt Stockholm KB, Reg. No. 969734-9604, has acted as legal counsel to the Company and ABG Sundal Collier AB, Reg. No. 556538-8674, P.O. Box 7269, 103 89 Stockholm, has acted as arranger in connection with the issue of the Notes.

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**Rights:** The Notes constitute direct, general unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.

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

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**Central securities depository:** The Notes will be connected with the account-based system of Euroclear Sweden AB, for the purpose of having the payment of interest and principal managed by Euroclear Sweden AB. The Notes have been registered for the Noteholders on their respective Securities Accounts and no physical notes have or will be issued.

The Issuer's central securities depository and registrar in respect of the Notes, from time to time, is initially, Euroclear Sweden AB.

## INFORMATION REGARDING EMILSHUS

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### Introduction

Fastighetsbolaget Emilshus AB (publ) was formed in 2018. The Company is a public limited liability company registered in Sweden and is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

The Company is registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) with registration number 559164-8752 and its registered name is Fastighetsbolaget Emilshus AB. Its trade name (i.e. the name used for marketing purposes) is Emilshus, and the Company's legal entity identifier (LEI) is 5493004EO7GR5U8PRK21. The Company's website is [www.emilshus.com](http://www.emilshus.com)<sup>1</sup>.

### BASIC INFORMATION REGARDING EMILSHUS

Legal form	Public limited liability company
Corporate registration number	559164-8752
Incorporated	On 5 July 2018
Head office	Municipality of Vetlanda, Sweden
Address	Box 177, 574 22 Vetlanda, Sweden
Visitors address	Fabriksgatan 1A, 574 38 Vetlanda, Sweden
Phone number	+46 (0)383-212 00
Company/trade name	Fastighetsbolaget Emilshus AB (registered on 6 September 2018)
Operational objective	The company shall manage and conduct business with real property, along with activities related to such operations.

### Business overview

The Company is the parent company of seventy-two directly or indirectly owned subsidiaries. The Company has a property portfolio of fifty-six properties, all located in areas with positive growth in Småland, Sweden.

As per 31 December 2020 the Company's properties had a total lettable area of around 360,427 m<sup>2</sup>. The Company owns commercial properties in the segments of commerce, industry / logistics and offices.

The Company was founded in 2018 with the business idea to acquire, develop and manage profitable commercial properties in growth areas in Småland. The Company's focus is to get high direct returns, by having long leases with well-known tenants with high rental payment ability. The Company became a public limited liability company on 13 September 2019.

According to the Company's articles of association the Company's business shall be to manage property and other capital assets and to carry out other activities compatible therewith.

### *Business operations*

The Company's aim is to have a property portfolio located in growth places, with a focus on local presence in combination with close cooperation with the tenants. Emilshus aim is also to be a part of the local business community and business development in Småland.

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<sup>1</sup> Please note that the information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

## *Business strategies and goals*

Emilshus strategies to achieve the goals of high returns and stable cash flows, are to maintain an active management and long-term collaboration with the tenants. The quality of the Company is ensured by having extensive market knowledge within the fields of management and ownership.

## **Corporate governance**

To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Company.

## *Board of directors*

According to the Company's articles of association, the board of directors should consist of at least three and not more than ten members, with a maximum of ten deputies. The board of directors currently consists of six board members, and no deputy board member. The board members were elected by the Annual General Meeting on 11 June 2020 for the period until the end of the 2021 Annual General Meeting. Information on the members of the board of directors, including significant assignments outside the Company which are relevant for the Company, is set forth below.

### **JOHAN ERICSSON (1951)**

Board assignments for the Company:	Board member and Chairman of the Board since 2018
Holding in the Company:	120,000 shares via Castar Europe AB
Other current assignments:	<i>Board member and chairman of</i> Aktiebolaget Oscar Robur, Konstmässan Market AB, SHH Bostad AB (publ), Castar Europe AB, Market Art Fair Intressenter AB, Nyfosa AB, Braheberget Fastigheter AB. <i>Board member of</i> Bostadsrättsföreningen Furiren nr 7, Torekov By AB, Brinova Fastigheter AB (publ), Emilshus Hillerstorp 2:106 AB. <i>CEO of</i> Logistea AB (publ), Solnaberg Bladet 3 PropCo AB, Solnaberg Property AB (publ), Klockarbäcken Bildhuggaren AB.

### **JAKOB FYRBERG (1974)**

Board assignments for the Company:	Board member since 2018 and CEO since 2019
Holding in the Company:	566,364 shares via Aptare Holding AB
Other current assignments:	<i>Board member and chairman of</i> Aptare Holding AB, Aptare Förvaltning AB, Bostaden Västra Götaland Intressenter Fastigheter AB, Aptare Entreprenad AB. <i>Board member of</i> Rerum Fastigheter AB, Emilshus Vinga AB, Emilshus Borret 11 AB, Emilshus Svetsarna i Kalmar AB, Emilshus Trekanten 5 AB, Vetlanda Invest AB, Emilshus Lågan AB, Handelsstaden Vetlanda AB, Raskens Fastigheter AB, Hjortsjö Fastighets AB, Emilshus Lokal AB, Emilshus Saluten 1 AB, Emilshus Tunnbindaren AB, Emilshus Stocken AB, Handelsstaden Nydala i Vetlanda AB, Emilshus Kronhjorten AB, Emilshus Gravören AB, Emilshus Gravören 9 AB, Emilshus Ymer AB, City Fastigheter i Vetlanda AB, Emilshus Ängsdal 9 AB, Emilshus Trädet 3 AB, Emilshus Skruven 4 AB, Emilshus Sävsjö 12:4 AB, Emilshus Rännilen 1 AB, Emilshus Slätvaren AB, Emilshus Stenfalkstorpet AB, Emilshus Forsheda AB, Emilshus Gravörtorpet AB, Emilshus Stödorp 2:4 AB, Emilshus Tomasängen 1 AB, Emilshus Torslunda 4:27 AB, Emilshus Värnamo AB, Emilshus Häljeryd AB, Emilshus Kalmar AB, Emilshus Bårebo 1:17 AB, Emilshus Sågen 5 AB, Emilshus Listen 10 AB, Emilshus Sköldmön 9 AB, Emilshus Brådan 1 AB, Emilshus Traktorn 4

och 5 AB, Emilshus Fiskmåsen 14 AB, Emilshus Österskog 1:40 Fastighets AB, Emilshus Holding 1 AB, Emilshus Holding 2 AB, Emilshus Holding 3 AB, Emilshus Option AB, Horda Fastigheten 4:55 AB, Horda Fastigheten 4:42 AB, Emilshus Hjortsjö AB, Emilshus Horda AB, Emilshus Vetlanda AB, Vetlanda Broby 47:1 AB, Emilshus Muttern 3 AB, Emilshus Fastigheten Linné 5 AB, Emilshus Hammaren 1 AB, Emilshus Framnäs 1 AB, Emilshus Attarp 2:553 AB, Emilshus Häljaryd 1:299 AB, Emilshus Trumpeten 3 AB, Emilshus Gullvivan 6 AB. Deputy board member of Bostadsrättsföreningen Vinkelhaken 13 i Ljungby. CEO of Rerum Fastigheter AB.

### **LARS GÖRAN BÄCKVALL (1946)**

Board assignments for the Company:

Holding in the Company:

Other current assignments:

Board member since 2019

Ownership via Np3 Fastigheter AB

*Board member and chairman of* Poularde Consulting AB, Villa Norrmalm AB, Cibola AB, Norrlandspojkarna Utveckling AB. *Board member of* Norrlandspojkarna Aktiebolag, Poularde AB, Norrlandspojkarna Entreprenad AB, Frösö Park Fastighets AB, NP3 Fastigheter AB, Vallsundet Holding AB, Norrlandspojkarna Lokaler AB, Frösö Park Hotel AB, Knut Karlsson Invest AB. *Deputy board member of* Kinema Sverige AB, Lusitano Cars AB, BBFV i Norrland AB. *CEO of* Norrlandspojkarna Aktiebolag.

### **PIERRE FOLKESSON (1971)**

Board assignments for the Company:

Holding in the Company:

Other current assignments:

Board member since 2019 and project manager since 2021

849,546 via Aptare Holding AB

*Board member of* Aptare Holding AB, Pierre Folkesson Invest AB, Aptare Förvaltning AB, Aptare Entreprenad AB, Byggbolaget i Vetlanda AB, Backseda Fastighets AB, Byggbo i Vetlanda AB, Bostaden Västra Götaland Intressenter Fastigheter AB, Nästagård Fastigheter AB. *Deputy board member of* Bostadsrättsföreningen Östanåbacken. *CEO of* Nästagård Fastigheter AB.

### **LISELOTTE HJORTH (1957)**

Board assignments for the Company:

Holding in the Company:

Other current assignments:

Board member since 2018

30,601 shares

*Board member and chairman of* White arkitekter Aktiebolag, White Intressenter AB, Eastnine AB (publ), Brunswick Real Estate Capital Advisory AB. *Board member of* Hoist Finance AB (publ), Ativo Finans AB, Rikshem AB (publ).

### **ELISABETH THURESSON (1961)**

Board assignments for the Company:

Holding in the Company:

Other current assignments:

Board member since 2018

206,009 shares via Thuredagruppen

*Board member of* Thureda Gruppen AB, Brudabäck Fastighets AB, Vetlanda Valvet AB, Papegojtulpanen AB, Östra Härads Fastighets AB. *Deputy board member of* AB Boken Vetlanda, Archimedes Invest AB, et al invest AB.

## Management

### **JONAS KARLSSON (1963)**

Assignment in the Company:

Holding in the Company:

Other current assignments:

CFO since 2019

60,000 shares via Famkar Invest

*Board member of* Fotbollsfastigheter i Växjö AB, Öster Arena AB, Famkar Invest AB. *Deputy board member of* Emilshus Trekanten 5 AB, Vetlanda Invest AB, Handelsstaden Vetlanda AB, Raskens Fastigheter AB, Emilshus Lokal AB, Emilshus Stocken AB, Handelsstaden Nydala i Vetlanda AB, City Fastigheter i Vetlanda AB, Emilshus Rännilen 1 AB, Emilshus Slätvaren AB, Emilshus Stenfalkstorpet AB, Emilshus Forsheda AB, Emilshus Gravörtorpet AB, Emilshus Hillerstorp 2:106 AB, Emilshus Tomasängen 1 AB, Emilshus Värnamo AB, Emilshus Häljeryd AB, Emilshus Vinga AB, Emilshus Borret 11 AB, Emilshus Svetsarna i Kalmar AB, Emilshus Lågan AB, Hjortsjö Fastighets AB, Emilshus Saluten 1 AB, Emilshus Tunnbindaren AB, Emilshus Kronhjorten AB, Emilshus Gravören AB, Emilshus Gravören 9 AB, Emilshus Ymer AB, Emilshus Ängsdal 9 AB, Emilshus Trädet 3 AB, Emilshus Skruven 4 AB, Emilshus Sävsjö 12:4 AB, Emilshus Stödstop 2:4 AB, Emilshus Torslunda 4:27 AB, Emilshus Kalmar AB, Emilshus Bårebo 1:17 AB, Emilshus Sågen 5 AB, Emilshus Listen 10 AB, Emilshus Sköldmön 9 AB, Emilshus Brädan 1 AB, Emilshus Traktorn 4 och 5 AB, Emilshus Fiskmåsen 14 AB, Emilshus Österskog 1:40 Fastighets AB, Emilshus Holding 1 AB, Emilshus Holding 2 AB, Emilshus Holding 3 AB, Emilshus Option AB, Horda Fastigheten 4:55 AB, Horda Fastigheten 4:42 AB, Emilshus Hjortsjö AB, Emilshus Horda AB, Emilshus Vetlanda AB, Vetlanda Broby 47:1 AB, Emilshus Muttern 3 AB, Emilshus Fastigheten Linné 5 AB, Emilshus Hammaren 1 AB, Emilshus Framnäs 1 AB, Emilshus Attarp 2:553 AB, Emilshus Häljaryd 1:299 AB, Emilshus Trumpeten 3 AB, Emilshus Gullvivan 6 AB. *External authorised signatory of* Aptare Holding AB, Aptare Förvaltning AB.

### **MARTIN STEDT (1984)**

Assignment in the Company:

Holding in the Company:

Other current assignments:

Property and facilities director since 2020

None

Currently no other assignments.

## **Other information about the Board of Directors and management**

Management and all board members can be contacted via the Company's address: Fabriksgatan 1A, 574 38 Vetlanda, Sweden. There are no family ties between the management and the board members. Several members of the Board of Directors and the management have certain financial interests in the Company as a consequence of their direct and/or indirect holdings of shares in the Company. The Company has also entered into a consulting agreement with the Chairman of the Board, Johan Ericsson, regarding his position as a Chairman of the Board. The consulting agreement has been entered on arm's length basis.

To the Company's knowledge, none of the members of the board of directors or the executive management of the Company have any private interest, others than the ones stated above, that may conflict with the interests of the Company.

## Auditor

According to Company's articles of association, the Company is to have one or two auditors, with a maximum of two deputy auditors. At the annual general meeting held on 11 June 2020, Ernst & Young Sweden AB, with authorised auditor Ingemar Rindstig as the auditor in charge, was elected as the Company's auditor to serve until the end of the annual general meeting in 2021. Authorised auditor Ingemar Rindstig has been the Company's auditor for the entire period covered by the historical financial information in this Prospectus. Ingemar Rindstig is a member of FAR, the professional institute for the accountancy sector in Sweden. The office address of Ernst & Young Sweden is, Jakobsbergsgatan 24, 111 44 Stockholm, Sweden. Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditor.

## Legal structure

The Company is the parent company of seventy-two directly or indirectly owned subsidiaries, as listed below.

COMPANY, CORPORATE REGISTRATION NUMBER	PARTICIPATIONS (%)
<b>Fastighetsbolaget Emilshus AB (publ), Reg. No 559164-8752</b>	
Emilshus Holding 1 AB, Reg. No 559246-9919	100%
Cityfastigheter i Vetlanda AB, Reg. No 556971-6599	100%
Emilshus Forsheda AB, Reg. No 559114-3119	100%
Emilshus Slätvaren AB, Reg. No 559114-3093	100%
Emilshus Stenfalkstorpet AB, Reg. No 559114-3101	100%
Emilshus Gravörtorpet AB, Reg. No 559115-8869	100%
Emilshus Stocken AB, Reg. No 556805-1808	100%
Emilshus Lokal AB, Reg. No 556705-1866	100%
Emilshus Rännilen 1 AB, Reg. No 559078-0762	100%
Emilshus Trekanten 5 AB, Reg. No 556533-1187	100%
Handelsstaden i Vetlanda AB, Reg. No 556577-4360	100%
<i>Handelsstaden Nydala i Vetlanda AB, Reg. No 556818-4476</i>	100%
Handelsstaden Sävsjö AB, Reg. No 559062-6353	100%
Vetlanda Invest AB, Reg. No 556553-7346	100%
Emilshus Värnamo AB, 559205-9702	100%
Emilshus Häljeryd AB, Reg. No 559205-9728	100%
Kommanditbolaget Emilshus Jönköping, Reg. No 969668-8077	100%
Emilshus Österskog 1:40 Fastighets AB, Reg. No 559237-7971	100%
Emilshus Holding 2 AB, Reg. No 559246-9927	100%
Emilshus Stödorp 2:4 AB, Reg. No 559182-1748	100%
Emilshus Tomasängen 1 AB, Reg. No 559184-8899	100%
Emilshus Hillerstorp 2:106 AB, Reg. No 559184-8881	100%
Emilshus Kalmar AB, Reg. No 559220-5628	100%
Emilshus Borret 11 AB, Reg. No 556122-9443	100%
Emilshus Svetsarna i Kalmar AB, Reg. No 556313-0987	100%
Horda Fastigheten 4:42 AB, Reg. No 559261-5602	100%
<i>Hjortsjö Fastighets AB, Reg. No 556698-0302</i>	100%
Emilshus Horda AB, Reg. No 559270-6872	100%
<i>Horda Fastigheten 4:55 AB, Reg. No 559261-5594</i>	100%
Emilshus Holding 3 AB, Reg. No 559246-9943	100%
Emilshus Ängsdal 9 AB, Reg. No 559010-7289	100%
Emilshus Skruven 4 AB, Reg. No 559023-0941	100%
Emilshus Trädet 3 AB, Reg. No 559013-1545	100%

Emilshus Torslunda 4:27 AB, Reg. No 559203-6635	100%
Raskens Fastigheter AB, Reg. No 556679-2452	100%
Emilshus Jönköping KB, Reg. No 969700-5099	100%
Emilshus Bårebo 1:17 AB, Reg. No 559220-5636	100%
Emilshus Fiskmäsen 14 AB, Reg. No 559226-8253	100%
Emilshus Traktorn 4 och 5 AB, Reg. No 559226-8246	100%
Emilshus Sköldmön 9 AB, Reg. No 559226-8220	100%
Emilshus Brädan 1 AB, Reg. No 559226-8238	100%
Emilshus Sågen 5 AB, Reg. No 559220-5644	100%
Emilshus Listen 10 AB, Reg. No 559226-8212	100%
Emilshus Gravören 21 AB, Reg. No 556884-8773	100%
Emilshus Gravören 9 AB, Reg. No 556916-1978	100%
Emilshus Kronhjorten AB, Reg. No 556868-1000	100%
Emilshus Lågan AB, Reg. No 556573-9173	100%
Emilshus Ymer AB, Reg. No 556923-2605	100%
Emilshus Tunnbindaren AB, Reg. No 556724-9148	100%
Emilshus Vinga AB, Reg. No 556069-6998	100%
Emilshus Saluten 1 AB, Reg. No 556722-0073	100%
Goldcup 26735 AB (unä), Reg. No 559285-0746	100%
Emilshus Linné 5 AB, Reg. No 559290-7702	100%
<i>Norama Linné 5 AB, Reg. No 556950-9218</i>	100%
Emilshus Framnäs 1 AB, Reg. No 559290-7736	100%
<i>Norama Framnäs AB, Reg. No 556950-9226</i>	100%
Emilshus Häljaryd 1:299 AB, Reg. No 559290-7827	100%
<i>Norama Häljaryd AB, Reg. No 556950-9275</i>	100%
Emilshus Attarp 2:553 AB, Reg. No 559290-7819	100%
<i>Norama Attarp AB, Reg. No 556950-9242</i>	100%
Emilshus Gullvivan 6 AB, Reg. No 559290-7843	100%
<i>Norama Gullvivan 6 AB, Reg. No 556950-9267</i>	100%
Emilshus Trumpeten 3 AB, Reg. No 559290-7835	100%
<i>Norama Trumpeten 3 AB, Reg. No 556950-9234</i>	100%
Emilshus Hammaren 1 AB, Reg. No 559290-7228	100%
<i>Norama Hammaren 1 AB, Reg. No 556950-9283</i>	100%
Kalmarbo Muttern AB, Reg. No 559280-1434	100%
Emilshus Vetlanda AB, Reg. No 559274-9815	100%
<i>Vetlanda Broby 47:1 AB, Reg. No 559279-3870</i>	100%
Ärevarvet i Växjö AB, Reg. No 556898-3943	100%

Since the Company's operations are mainly carried out through its subsidiaries, the Company is dependent on its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.

### Share capital, shares and ownership structure

According to its articles of association, the Company's share capital shall be no less than SEK 60,732,200 and not more than SEK 242,928,800 divided into no less than 3,036,610 shares and no more than 12,146,440 shares. The Company's current registered share capital amounts to SEK 120,811,600 divided among 6,040,580 shares with a nominal value of SEK 20. The shares are denominated in SEK. There are currently 1,152,789 registered shares of share class A, and 4,887,791 registered shares of share class B. One share of share class A entitles to ten (10) voting rights, whereas one share of share class B entitles to one (1) voting right. All shares have equal rights to the Company's profits and assets. All outstanding shares issued by the Company have been fully paid.



As of the date of this Prospectus, the shares in the Company are held by the companies listed below.

<b>COMPANY, CORPORATE REGISTRATION NUMBER</b>	<b>SHARES A</b>	<b>SHARES B</b>	<b>PARTICIPATIONS %</b>
<b>Aptare Holding AB,</b> Reg. No 556669-3205	444,000	1,821,455	37.5%
<b>Fastighetsaktiebolaget Apicius,</b> Reg. No 559015-8902*	303,355	1,213,421	25.1%
<b>NP3 Fastigheter AB,</b> Reg. No 556749-1963	242,112	980,385	20.2%
<b>Other shareholders</b>	163,322	872,530	17.2%
<b>TOTAL SHARES</b>	1,152,789	4,887,791	100%

\*Wholly-owned subsidiary of AB Sagax

The Company has resolved on a preferential rights issue which, when registered, will increase the Company's share capital by SEK 12,081,160 through the issuance of 604,058 shares of share class B. The preferential rights issue will not affect any of the above mentioned major shareholders' participations.

To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the CEO adopted by the Company.

## FINANCIAL INFORMATION

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### Historical financial information

The Company's consolidated financial statement for the financial period 5 July 2018 to 30 September 2018 has been prepared in accordance with International Standards on Audition ("ISA") and the rules of professional ethics for accountants in Sweden. The Company's consolidated financial statement for the financial period, 1 October 2018 to 31 December 2018, the Company's consolidated financial statement for the financial year 2019, and the Company's consolidated interim report for the financial year 2020, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the interpretations provided by the International Financial Reporting Interpretations Committee ("IFRIC") as adopted by the EU. The current financial year of 2021 runs in accordance with the calendar year.

The annual reports of the Company have been audited by the Company's auditor. The Company's consolidated interim report for the financial year 2020, has not been audited or reviewed by the Company's auditor. Other than the auditing of the Company's annual reports, the Company's auditors have not audited or reviewed any part of this Prospectus.

The Group's consolidated income statement, balance sheet, cash flow statement, statement of changes in equity, notes and audit report for the financial period, 5 July 2018 to 30 September 2018 ([link](#)), can be found in its annual report on the following pages:

- consolidated income statement, page 4;
- consolidated balance sheet, page 5;
- consolidated statement of changes in equity, page 6;
- consolidated cash flow statement, page 7;
- the audit report, pages 19-20; and
- the notes, pages 12-17.

The Group's consolidated income statement, balance sheet, cash flow statement, statement of changes in equity, notes and audit report for the financial period, 1 October 2018 to 31 December 2018 ([link](#)), can be found in its annual report on the following pages:

- consolidated income statement, page 4;
- consolidated balance sheet, page 5;
- consolidated statement of changes in equity, page 6;
- consolidated cash flow statement, page 7;
- the audit report, page 20-21; and
- the notes, pages 12-19.

The Group's consolidated income statement, balance sheet, cash flow statement, statement of changes in equity, notes and audit report for the financial year 2019 ([link](#)), can be found in its annual report on the following pages:

- consolidated income statement, page 10;
- consolidated balance sheet, page 12;
- consolidated statement of changes in equity, page 13;
- consolidated cash flow statement, page 14;
- the audit report, page 40-42; and
- the notes, pages 19-39.

The Group's consolidated income statement, balance sheet, cash flow statement, and statement of changes in equity for the financial year 2020 ([link](#)), can be found in the Group's unaudited interim report, on the following pages:

- consolidated income statement, page 6;
- consolidated balance sheet, page 8;
- consolidated statement of changes in equity, page 13; and
- consolidated cash flow statement, page 14.

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

There has been no material adverse change in the prospects of the Company since the period to which its last audited financial report refers. There has not been any significant change in the financial performance or financial position of the Group since the period to which its unaudited interim report for the first three quarters of the financial year 2020 refers. There has been no recent event particular to the Company which is to a material extent relevant to the evaluation of the Company's solvency.

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

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

## LEGAL CONSIDERATIONS AND OTHER INFORMATION

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### Material agreements

No Group company is a party to any significant agreement outside the ongoing business operations that could result in such a Group company having a right or obligation that can materially affect the Company's ability to fulfil their obligations to the bondholders.

### Disputes

Emilshus is not, and has not been, a party to any governmental, legal or arbitration proceedings that have or have had a material adverse effect on the Company's or the Group's financial position or profitability during the past 12 months. Nor is the Company aware of any governmental, legal or arbitration proceedings that might arise and which could have a material adverse effect on the Company's or the Group's financial position or profitability.

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

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

Except for the parties mentioned above, there are no other, private or legal persons involved in the issuing of the Notes who have any economic or other interest of importance to the Note Issue.

### Certain tax issues in Sweden

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

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

#### *Taxation of individuals resident in Sweden*

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

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

tax acquisition cost is calculated as the average of the actual acquisition cost for all of the Notes of the same type and class.

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

#### *Corporate taxation*

All income in Swedish limited liability companies, including any capital gains and dividends that are taxable, are treated as business income and is subject to a flat tax rate. The current corporate tax rate is 20.6 %.

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

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

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

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

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

#### **Documents incorporated by reference**

This Prospectus is, in addition to this document, comprised of the following documents which are incorporated by reference and available in electronic format on the Company's website ([www.emilshus.com](http://www.emilshus.com))<sup>1</sup>:

The Group's consolidated audited annual report for the financial period, 5 July 2018 to 30 September 2018 ([link](#)):

- consolidated income statement, page 4;
- consolidated balance sheet, page 5;
- consolidated statement of changes in equity, page 6;
- consolidated cash flow statement, page 7;
- the audit report, pages 19-20; and
- the notes, pages 12-17.

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<sup>1</sup> Please note that the information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

The Group's consolidated audited annual report for the financial period, 1 October 2018 to 31 December 2018 ([link](#)):

- consolidated income statement, page 4;
- consolidated balance sheet, page 5;
- consolidated statement of changes in equity, page 6;
- consolidated cash flow statement, page 7;
- the audit report, page 20-21; and
- the notes, pages 12-19.

The Group's consolidated audited annual report for the financial year 2019 ([link](#)):

- consolidated income statement, page 10;
- consolidated balance sheet, page 12;
- consolidated statement of changes in equity, page 13;
- consolidated cash flow statement, page 14;
- the audit report, page 40-42; and
- the notes, pages 19-39.

The Group's unaudited consolidated interim report for the financial year 2020 ([link](#)):

- consolidated income statement, page 6;
- consolidated balance sheet, page 8;
- consolidated statement of changes in equity, page 13; and
- consolidated cash flow statement, page 14.

Historical information for the financial period 5 July 2018 to 30 September 2018, the financial period 1 October 2018 to 31 December 2018, the financial year 2019, and the financial year 2020, except for financial information of the Group referred to above, is deemed less important for the description and understanding of the Company and hence, only the relevant information in the Group's consolidated reports for 5 July 2018 to 30 September 2018, 1 October 2018 to 31 December 2018, the financial year 2019, and the financial year 2020, have been incorporated by reference in the Prospectus.

### **Documents available for inspection**

Throughout the validity period of this Prospectus the following documents are available in electronic form on the Company's website ([www.emilshus.com](http://www.emilshus.com))<sup>1</sup>. Copies of the documents are also available at the Company's head office at Fabriksgatan 1A, 574 38 Vetlanda, Sweden, on weekdays during normal business hours, and may be ordered from the Company at the same address:

- the Company's articles of association;
- the Company's consolidated audited annual report and audit report for the financial year 5 July 2018 to 30 September 2018, the financial year 1 October 2018 to 31 December 2018, and the financial year 2019;
- the Company's unaudited consolidated interim report for the financial year 2020;
- this Prospectus; and
- the certificate of registration of the Company.

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<sup>1</sup> Please note that the information on the website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus.

## **TERMS AND CONDITIONS OF THE NOTES**

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**TERMS AND CONDITIONS FOR  
FASTIGHETSBOLAGET EMILSHUS AB (PUBL)  
UP TO SEK 500,000,000  
SENIOR UNSECURED FLOATING RATE NOTES**

**ISIN: SE0013409265**

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2 December 2019

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

## **PRIVACY NOTICE**

The Issuer, the Agent and the Issuing Agent may collect and process personal data relating to the Noteholders, the Noteholders' representatives or agents, and other persons nominated to act on behalf of the Noteholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Notes). The personal data relating to the Noteholders is primarily collected from the registry kept by the CSD. The personal data relating to other persons is primarily collected directly from such persons.

The personal data collected will be processed by the Issuer, the Agent and the Issuing Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Notes and payments under the Notes;
- (c) to enable the Noteholders' to exercise their rights under the Finance Documents; and
- (d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent and the Issuing Agent in relation to items (a) - (c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Agent or the Issuing Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer, the Agent and the Issuing Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Agent's and the Issuing Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites [www.emilshus.com](http://www.emilshus.com), [www.intertrustgroup.com](http://www.intertrustgroup.com) and [www.abgsc.com](http://www.abgsc.com).



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

“**Accounting Principles**” means the international financial reporting standards (IFRS), within the meaning of Regulation 1606/2002/EC (as amended from time to time).

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

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

“**Agency Agreement**” means the agency agreement entered into on or before the First Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent, regarding, *inter alia*, the remuneration payable to the Agent.

“**Agent**” means Intertrust (Sweden) AB, Reg. No. 556625-5476, P.O. Box 16285, 103 25 Stockholm, Sweden, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

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

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

“**Cash**” means immediately available funds in bank or postal accounts.

“**Central Securities Depositories and Financial Instruments Accounts Act**” means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

**“Change of Control Event”** means the occurrence of an event or series of events following the First Issue Date whereby any person or group of persons, other than one or more of the Main Owners, acting in concert, (i) becomes the owner, directly or indirectly, and has the right to vote as it sees fit for, more than fifty (50) per cent. of the total number of shares or votes in the Issuer, or (ii) has the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**“Compliance Certificate”** means a certificate, substantially in the form set out in Schedule 3 (*Form of Compliance Certificate*), and reasonably satisfactory to the Agent.

**“CSD”** means the Issuer’s central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Sweden AB, Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

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

**“EBITDA”** means, in respect of the Test Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

(a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;

(b) before deducting any Net Finance Costs;

(c) before taking into account any exceptional, one off, non-recurring or extraordinary items, provided that such do not in aggregate exceed ten (10) per cent. of EBITDA during the applicable Test Period;

(d) before taking into account any Transaction Costs;

(e) not including any accrued interest owing to any member of the Group;

(f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);

(g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;

(h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;

plus or minus the Group’s share of the profits or losses of entities which are not part of the Group; and after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

**“Event of Default”** means an event or circumstance specified in Clause 12 (*Events of Default*).

**“Equity Ratio”** means, at any time, the Total Equity of the Group as a percentage of the aggregate value of the Total Assets (in each case according to the latest Financial Report and calculated in accordance with the Accounting Principles).

**“Final Maturity Date”** means 9 December 2022, the date falling three (3) years after the First Issue Date.

**“Finance Costs”** means, for any Test Period, the aggregate amount of interest costs, commission, fees, discounts, premiums or charges in respect of borrowings whether paid or accrued by the Group, including all payments relating to the realised net effect of any interest rate hedges but excluding the unrealised effect of any interest rate hedges, fees paid to the Agent pursuant to the terms of these Terms and Conditions or the Agency Agreement and any unrealised or realised losses pursuant to foreign exchange transactions.

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

**“Financial Indebtedness”** means:

- (a) monies borrowed (including under any bank financing);
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument (including Market Loans);
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) without double-counting liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g) above.

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

year-end report (Sw. *bokslutskommuniké*) which shall be prepared and made available in accordance with items (a), (b) and (c) set forth in Clause 10.1.

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

“**First Call Date**” means the date falling six (6) months before the Final Maturity Date.

“**First Issue Date**” means 9 December 2019.

“**Floating Rate Margin**” means the floating rate margin of the Interest Rate and amounts to 5.75 per cent. per annum.

“**Force Majeure Event**” has the meaning set forth in Clause 25 (*Force Majeure and Limitation of Liability*).

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

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

“**Initial Notes**” means the Notes issued on the First Issue Date in the total amount of SEK 300,000,000.

“**Initial Public Offering**” means an initial public offering of shares in the Issuer, after which such shares shall be admitted to trading on a Regulated Market or recognised unregulated market place.

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

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 8.1 to 8.3.

“**Interest Coverage Ratio**” means the ratio of EBITDA to Net Finance Costs.

“**Interest Payment Date**” means 9 March, 9 June, 9 September and 9 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 9 March 2020 and the last Interest Payment Date shall be the Final Maturity Date (or any final Redemption Date prior thereto).

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii)

in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant). Any Subsequent Notes will carry Interest at the Interest Rate (i) from, but excluding the Interest Payment Date falling immediately prior to their issuance to, and including, the next succeeding Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means the three (3) month STIBOR (STIBOR floor at 0 per cent.) plus 5.75 per cent. *per annum*, with quarterly interest payments in arrears.

“**Issuer**” means Fastighetsbolaget Emilshus AB (publ), a public limited liability company incorporated under the laws of Sweden under Reg. No. 559164-8752.

“**Issuing Agent**” means ABG Sundal Collier ASA Reg. No. 883 603 362 P.O. Box 1444 Vika, 0115 Oslo, or another party replacing it, as Issuing Agent, in accordance with the Terms and Conditions.

“**Listing Failure**” means the situation where:

- (a) the Initial Notes have not been admitted to trading on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) within sixty (60) calendar days after the First Issue Date; or
- (b) at any time after such admission to trading, the Notes cease to be listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market, as applicable, save that if the Notes are listed on another Regulated Market than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm).

“**Main Owners**” means Aptare Holding AB, Reg. No. 556669-3205, NP3 Fastigheter AB (publ) Reg. No. 556749-1963, AB Sagax (publ), Reg. No 556520-0028, and Fastighetsaktiebolaget Apicius, Reg. No. 559015-8902 or any legal entity directly or indirectly controlled by any of them.

“**Management Profit**” means the Group’s consolidated management profit (Sw. förvaltningsresultat) according to the latest annual audited consolidated financial statements of the Group.

“**Market Loan**” means any loan or other indebtedness where an entity issues convertibles, subordinated debentures, bonds, notes or other debt securities (including, for the avoidance of doubt, medium term note programmes and other market funding programmes).

“**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 obligations under these Terms and Conditions or (iii) the validity or enforceability of these Terms and Conditions.

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm AB (Reg. No. 556420-8394, SE-105 78 Stockholm, Sweden).

“**Net Finance Costs**” means, for the Test Period, the Finance Costs according to the latest Financial Report(s), after deducting any interest payable for that Test Period to any member of the Group and any interest income relating to Cash or cash equivalent investment.

“**Net Loan to Value**” means, at any time, expressed as a percentage, the ratio of:

- (a) the outstanding Financial Indebtedness (excluding guarantees and similar arrangements as well as any loans within the Group and Subordinated Shareholder Debt, if any) less Cash and cash equivalent investments; to
- (b) the aggregate market value of the Properties as set out in the latest valuations delivered under these Terms and Conditions, or, when a Property has been newly acquired and up until a valuation is made in accordance with these Terms and Conditions, the purchase price for such Property.

“**Net Proceeds**” means the proceeds from the Notes issue which, after deduction has been made for the Transaction Costs payable by the Issuer in connection with issuance of the Notes, shall be transferred to the Issuer and used in accordance with the purpose of the Notes issue.

“**Nominal Amount**” means in respect of each Note the Initial Nominal Amount, less the aggregate amount by which that Note has been repaid in part pursuant to Clause 9.4.

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

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

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 16 (*Noteholders’ Meeting*).

“**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.

“**Properties**” means all real properties and site leasehold rights (Sw. *tomträtter*) owned by any member of the Group from time to time.

“**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 First 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 (*i.e.*, the day that period commences, even if no interest accrues on such day).

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

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

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

“**Second Call Date**” means the date falling three (3) months before the Final Maturity Date.

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

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

“**STIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period;
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four (4) decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. on the Quotation Date; or
- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four (4) 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
- (d) if no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

if any such rate is below zero (0), STIBOR will be deemed to be zero (0).



**“Subordinated Shareholder Debt”** means all loans provided to the Issuer by the Issuer’s direct and indirect shareholders and (i) which have been effectively subordinated to the rights of the Agent and the Noteholders under the Finance Documents and (ii) with respect to which no cash interest accrues or is payable before all obligations of the Issuer under the Finance Documents have been satisfied in full.

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

**“Subsidiary”** means each of the Issuer’s direct and indirect subsidiaries as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*), from time to time.

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

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

**“Test Period”** means each period of twelve (12) months (on a rolling basis) ending on each Test Date.

**“Total Assets”** means, at any time, the total assets of the Group calculated on a consolidated basis, in each case according to the latest Financial Report and in accordance with the Accounting Principles.

**“Total Equity”** means, at any time, the sum of the total equity of the Group (including Subordinated Shareholder Debt, if any) calculated on a consolidated basis, in each case according to the latest Financial Report and in accordance with the Accounting Principles.

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

**“Transaction Costs”** means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with the issuance of the Initial Notes or any Subsequent Notes.

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

## **1.2 Construction**

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

- (a) **“assets”** includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a **“regulation”** includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

- (d) a provision of law is a reference to that provision as amended or re-enacted; and
  - (e) a time of day is a reference to Stockholm time.
- 1.2.2 An Event of Default is continuing if it has not been remedied or waived.
- 1.2.3 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (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 Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.6 For the purpose of the definition Change of Control Event, “acting in concert” means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate control of the Issuer.

## 2 Status of the Notes

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The initial nominal amount of each Initial Note is SEK 1,000,000 (the “**Initial Nominal Amount**”). All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- 2.4 Provided that (i) no Event of Default is continuing or would result from the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing or from the issue of the Subsequent Notes, (ii) no prepayment of Notes has been made pursuant to Clause 9.4 (*Equity Claw Back*), and (iii) none of the Financial Covenants would be breached as a result of the issue (tested pro forma including such issue), the Issuer may, at one or several occasions, issue Subsequent Notes. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the redemption date applicable to the Initial Notes shall apply to Subsequent Notes. The price of each of the Subsequent Notes may be set to par, at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Notes

(the Initial Notes and all Subsequent Notes) may not exceed SEK 500,000,000 unless consent from the Noteholders is obtained in accordance with Clause 15.7(a). Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Notes.

- 2.5 The Notes constitute direct, general unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

### **3 Use of proceeds**

The Issuer shall apply the Net Proceeds from the issue of the Notes for purposes of acquisitions and refinancing and other general corporate purposes.

### **4 Conditions for settlement of the Notes**

- 4.1 The Issuer shall provide to the Agent, no later than four (4) Business Days prior to the First Issue Date, the documents and other evidence set out in Schedule 1 (*Conditions Precedent for Settlement of Initial Notes*).
- 4.2 The Issuer shall provide to the Agent, no later than four (4) Business Days prior to the issue date of any Subsequent Notes, the documents and other evidence set out in Schedule 2 (*Conditions Precedent for Settlement of Subsequent Notes*).
- 4.3 The Agent may assume that the documentation delivered to it pursuant to Clause 4.1 or 4.2 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not review the documents and evidence referred to above from a legal or commercial perspective of the Noteholders.
- 4.4 The Agent shall, upon request by the Issuing Agent, immediately confirm in writing to the Issuing Agent when the conditions in Clause 4.1 or 4.2, as the case may be, have been fulfilled to the satisfaction of the Agent, after which the Issuing Agent shall procure the settlement of the Initial Notes and transfer the proceeds to an account as instructed by the Issuer.

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

- 5.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.
- 5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.3 The Issuer (and the Agent 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 Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 5.4 For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.
- 5.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 5.6 The Issuer and the Agent may use the information referred to in 5.3 and 5.4 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

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

- 6.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 6.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 6.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full

force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

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

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes requested by a Noteholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **8 Interest**

- 8.1 Each Initial Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue if there is no such payment date) up to (and including) the relevant Redemption Date.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 8.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the

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

## **9 Redemption and Repurchase of the Notes**

### **9.1 Redemption at maturity**

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

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

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

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

9.3.1 The Issuer may redeem all, but not some only, of the outstanding Notes in full on any Business Day up to (but excluding) the First Call Date. The Notes shall be redeemed at an amount per Note equal to one hundred (100) per cent. of the Nominal Amount, plus (i) an amount corresponding to twelve and a half (12.5) per cent. of the Floating Rate Margin, (ii) accrued but unpaid Interest and (iii) an amount corresponding to all remaining scheduled Interest payments on the Note up to (and including) the First Call Date.

9.3.2 The Issuer may redeem all, but not some only, of the outstanding Notes in full on any Business Day falling within the period starting on (and including) the First Call Date and ending on (but excluding) the Second Call Date. The Notes shall be redeemed at an amount per Note equal to one hundred (100) per cent. of the Nominal Amount plus, (i) an amount corresponding to twelve and a half (12.5) per cent. of the Floating Rate Margin and (ii) accrued but unpaid Interest.

9.3.3 The Issuer may redeem all, but not some only, of the outstanding Notes in full on any Business Day falling within the period starting on (and including) the Second Call Date up to (but excluding) the Final Maturity Date. The Notes shall be redeemed at an amount per Note equal to one hundred (100) per cent. of the Nominal Amount, together with accrued but unpaid Interest.

9.3.4 The Issuer shall give notice to the Noteholders and the Agent of any redemption pursuant to Clause 9.3.1, 9.3.2 or 9.3.3 no later than twenty (20) Business Days prior to the Redemption Date, calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. A notice of redemption in accordance with Clause 9.3.1, 9.3.2 or

9.3.3 is irrevocable and, on the Redemption Date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

#### **9.4 Equity Claw Back**

9.4.1 The Issuer may on one occasion, in connection with an Initial Public Offering, repay up to thirty-five (35) per cent. of the Total Nominal Amount, in which case all outstanding Notes shall be partially repaid by way of reducing the Nominal Amount of each Note pro rata. The repayment must occur on a Business Day within one hundred and eighty (180) days after such Initial Public Offering and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Initial Public Offering (net of fees, charges and commissions actually incurred in connection with such Initial Public Offering and net of taxes paid or payable as a result of such Initial Public Offering). The repayment per Note shall equal the repaid percentage of the outstanding Nominal Amount (rounded down to the nearest SEK 1.00) plus (i) a premium on the repaid amount corresponding to two (2) per cent of the said amount and (ii) accrued but unpaid Interest on the repaid amount.

9.4.2 The Issuer shall give notice to the Noteholders and the Agent of any redemption pursuant to Clause 9.4.1 no later than twenty (20) Business Days prior to the Redemption Date, calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date.

#### **9.5 Early redemption due to illegality (call option)**

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

9.5.2 The Issuer shall give notice of any redemption pursuant to Clause 9.5.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive amounts due on such Redemption Date.

9.5.3 A notice of redemption in accordance with Clause 9.5.1 is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Notes in full at the applicable amounts.

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

9.6.1 Upon the occurrence of a Change of Control Event or a Listing Failure, each Noteholder shall have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) Business Days following a notice from the Issuer of the Change of Control Event or a Listing Failure pursuant to Clause 10.1.2 (after which

time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or a Listing Failure (as applicable).

- 9.6.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the Record Date on which a person shall be registered as a Noteholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The Redemption Date must fall no later than sixty (60) Business Days after the end of the period referred to in Clause 9.6.1.
- 9.6.3 If Noteholders representing more than 90 per cent. of the Adjusted Nominal Amount have requested that Notes held by them are repurchased pursuant to this Clause 9.6, the Issuer shall send a notice to the remaining Noteholders, if any, giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of thirty (30) Business Days following such notice. Such notice shall specify the Redemption Date, the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date and also include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to this Clause 9.6.3. The Redemption Date must fall no later than sixty (60) Business Days after the end of the period of thirty (30) Business Days referred to in this Clause 9.6.3.
- 9.6.4 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 9.6, if a third party in connection with the occurrence of a Change of Control Event or a Listing Failure offers to purchase the Notes in the manner and on the terms set out in this Clause 9.6 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If the Notes tendered are not purchased within the time limits stipulated in this Clause 9.6, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.
- 9.6.5 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Notes. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.6, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.6 by virtue of the conflict.
- 9.6.6 Any Notes repurchased by the Issuer pursuant to this Clause 9.6 may at the Issuer's discretion be retained or sold but not cancelled.
- 9.6.7 No repurchase of Notes pursuant to this Clause 9.6 shall be required if the Issuer has given notice of a redemption pursuant to Clause 9.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.



## **10 Information to Noteholders**

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

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

- (a) prepare and make available the annual audited consolidated financial statements of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, on its website not later than four (4) months after the expiry of each Financial Year;
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group, and 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 two (2) months after the expiry of each relevant interim period;
- (c) prepare and make available the year-end report (Sw. *bokslutskommuniké*) for such period;
- (d) prepare and make available any other information required by the Swedish Securities Market Act (Sw. *lagen (2007:528) om värdepappersmarknaden*) and the rules and regulations of the market place on which the Notes are listed;
- (e) issue a Compliance Certificate to the Agent (i) when a Financial Report is made available, (ii) in connection with the payment of any Distribution or the incurrence or extension of Financial Indebtedness (including the incurrence of any Subsequent Notes), which requires that the Financial Covenants are met and (iii) at the Agent's request, within twenty (20) days after such request has been made; and
- (f) keep the latest version of these Terms and Conditions available on the website of the Issuer.

10.1.2 The Issuer shall immediately notify the Agent (and in respect of a Change of Control Event or a Listing Failure) (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, a Change of Control Event, a Listing Failure or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

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

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

### **10.3 Information among Noteholders**

Upon request by a Noteholder, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes. The Agent may require that the requesting Noteholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed.

### **10.4 Publication of Finance Documents**

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

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

## **11 General Undertakings**

### **11.1 Disposals**

The Issuer shall not, and shall procure that no other Group Company, sell or otherwise dispose of shares in any Group Company or of all or substantially all of its or any Group Company's assets or operations to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

### **11.2 Dividends and other distributions**

11.2.1 Neither the Issuer nor any Group Company shall declare, make or pay any dividend, charge, fee, repayment of Subordinated Shareholder Debt, repayment of shareholder's contribution or other distribution (or interest on any unpaid dividend, Subordinated Shareholder Debt or shareholder's contribution, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (including, but not limited to, any transfer of value (Sw. värdeöverföring) in accordance with the Swedish Companies Act (Sw. aktiebolagslagen (2005:551)) or make repurchases or redemptions of shares and/or share capital to its shareholders (a "Distribution").

11.2.2 Following an Initial Public Offering, the Issuer may declare, make or pay any Distribution up to an aggregate amount for each Financial Year corresponding to fifty (50) per cent. of the Management Profit (net of taxes) provided that the Financial Covenants listed in items (a) to (c) in Clause 11.15 are met (tested pro forma including such Distribution) and that no Event of Default is continuing or would result from such Distribution.

11.2.3 A Group Company, other than the Issuer, may always make the following Distributions:

- (i) repurchases of shares or redemptions of shares and/or share capital; and
- (ii) declarations or payments of any dividends, charges, fees or other distributions (or interest on any unpaid dividends, charges, fees or other distributions) (whether in cash or in kind) on or in respect of its share capital,

provided that such Distribution is made *pro rata* to its immediate shareholder(s) and in each case provided that no Event of Default is continuing or would result from such Distribution.

### **11.3 Financial Indebtedness**

The Issuer shall not, and shall procure that no other Group Company will, incur or extend any Financial Indebtedness, provided however that the Issuer and any other Group Company may incur Financial Indebtedness provided that (i) the Financial Indebtedness is taken up from a Group Company, or (ii) the Financial Covenants listed in items (a) to (c) under Clause 11.15 are met (tested *pro forma* including such incurred or extended Financial Indebtedness) and in each case provided that no Event of Default is continuing or would result from such incurrence or extension.

### **11.4 Shareholder loans**

A Group Company may not incur or permit to remain outstanding any debt from direct or indirect shareholders of the Issuer which is not Subordinated Shareholder Debt.

### **11.5 Admission to trading**

The Issuer intends to admit the Initial Notes to trading on the corporate bond list of Nasdaq Stockholm within thirty (30) days from the First Issue Date, and shall ensure (i) that the Initial Notes are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within twelve (12) months after the First Issue Date, (ii) that the Notes, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes and taking into account that if the Notes are listed on another Regulated Market than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm) and (iii) that, upon any Subsequent Notes issue, the volume of Notes listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market, as applicable) promptly, and not later than ten (10) Business Days after the relevant issue date, is increased accordingly.

### **11.6 Market Loans**

The Issuer shall not, and the Issuer shall ensure that no other Group Company will, (i) issue any Market Loan that has a final redemption date or, when applicable, early redemption dates or instalment dates which occur before the Final Maturity Date, (ii) create or allow to subsist, retain, provide, prolong or renew any Security (including guarantees) over any of its/their assets (present or future) to secure any Market Loan or (iii) repurchase any Market Loan, or part thereof, issued by any Group Company, other than in relation to the Notes and as permitted under these Terms and Conditions.

### **11.7 Dealings with Related Parties**

The Issuer shall, and the Issuer shall ensure that each Group Company 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 or indirect shareholders at arm's length terms.

### **11.8 Merger**

The Issuer shall not, and shall procure that no Group Company will, enter into any amalgamation, demerger, merger, consolidation, unless (i) between Group Companies (other than the Issuer), or (ii) between the Issuer and a Group Company or any other company, provided that the Issuer is the surviving entity.

### **11.9 Change Nature of Business**

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

### **11.10 Pari Passu Ranking**

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

### **11.11 Maintenance of Properties**

The Issuer shall, and shall procure that each other Group Company will, keep the Properties in a good state of repair and maintenance, subject to normal wear and tear and in accordance with normal market practice, and in such repair and condition as will enable each Group Company owning a Property to comply in all material respects with all applicable laws and regulations.

### **11.12 Insurance**

The Issuer shall, and shall procure that each other Group Company will, keep the Properties insured to an extent which is customary for similar properties and businesses on the Swedish market with one or more reputable insurers. The insurance cover shall *inter alia* include full value insurance and third party liability insurances.

### **11.13 Valuation**

The Issuer shall procure that a valuation of the Properties is prepared by a reputable external property appraiser appointed by the Issuer each Financial Year (on a rolling twelve (12) months basis). Such valuation shall be delivered to the Agent upon its request.

## **11.14 Compliance with Laws**

The Issuer shall, and the Issuer shall ensure that the Group Companies will, (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 any other Regulated Market applicable to the Issuer from time to time, 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.

## **11.15 Financial Covenants**

11.15.1 The Financial Covenants set out below apply to the Group.

- (a) The Interest Coverage Ratio shall not be less than 2.0:1.
- (b) The Net Loan to Value shall not exceed: seventy (70) per cent.
- (c) The Equity Ratio shall exceed twenty-five (25) per cent.

11.15.2 The Financial Covenants in items (a) to (c) shall be tested and measured from 31 December 2019 and will be measured on each Test Date, and in respect of the Interest Coverage Ratio, for the relevant Test Period, and on each date on which a Subsequent Notes issue or Distribution is made and/or on which the Issuer or a Group Company incurs or extends any Financial Indebtedness (taking into account the Subsequent Notes issue, the Distribution and/or the incurred or extended Financial Indebtedness (as applicable)), save for any Financial Indebtedness taken up from a Group Company.

11.15.3 For the purpose of determining compliance with the Financial Covenants set out above the twelve (12) month period ending within twelve (12) months after any acquisition will include (by way of aggregation) the annualised actual consolidated results of the acquired target company for the initial part of the twelve (12) month period even though it was not then a part of the group, and actual net interest, interest paid and interest received for the period from completion of the relevant acquisition to the relevant testing date, will be annualised over the entire twelve (12) month period.

11.15.4 For the avoidance of doubt, the calculation of the Financial Covenants above shall be made as per a Test Date being the last date of the period covered by the most recent Financial Report.

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

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

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

11.16.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

#### **11.17 CSD related undertakings**

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

### **12 Events of Default**

Each of the events or circumstances set out in Clauses 12.1 to 12.11 is an Event of Default.

#### **12.1 Non-Payment**

The Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

- (a) is caused by technical or administrative error; and
- (b) is remedied within five (5) Business Days from the due date.

#### **12.2 Other obligations**

The Issuer or any other person (other than the Agent and the Issuing Agent) does not comply with any terms of or acts in violation of the conditions of the Finance Documents to which it is a party (other than those terms referred to in under Clause 12.1 above), unless the non-compliance:

- (a) is capable of remedy; and
- (b) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

#### **12.3 Misrepresentation**

Any representation or statement made or deemed to be made by a Group Company in the Finance Documents or any other document delivered by or on behalf of any Group Company under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

#### **12.4 Impossibility or Illegality**

It is or becomes impossible or unlawful for any Group Company to perform any of its obligations under the Finance Documents or any Finance Document is not, or ceases to be, legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Noteholders under the Finance Documents.

## **12.5 Insolvency**

Any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent.

## **12.6 Insolvency proceedings**

12.6.1 Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group, other than a solvent liquidation or reorganisation of any Group Company which is not the Issuer;
- (b) the appointment of a liquidator, receiver, administrative receiver, administrator or other similar officer in respect of any member of the Group or any of its assets, other than in connection with a solvent liquidation or reorganisation of any Group Company which is not the Issuer; or
- (c) enforcement of any Security over any assets of any member of the Group, or any analogous procedure or step is taken in any jurisdiction, where the amount of such Security exceeds SEK 15,000,000 or the equivalent of any other currency.

12.6.2 The above shall not apply to any corporate action, legal proceedings or other procedure or step taken which is frivolous or vexatious and is discharged, stayed or dismissed within thirty (30) days of commencement.

## **12.7 Mergers and demergers**

A decision is made that any Group Company shall be merged or demerged into a company, unless the merger or demerger is (i) between Group Companies (other than the Issuer), or (ii) between the Issuer and a Group Company or any other company, provided that the Issuer is the surviving entity.

## **12.8 Creditors' process**

Any expropriation, attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, which affects any asset of a Group Company having an aggregate value of SEK 15,000,000 and is not discharged within thirty (30) calendar days.

## **12.9 Admission to trading**

The Issuer intends to admit the Initial Notes to trading on the corporate bond list of Nasdaq Stockholm within thirty (30) days from the First Issue Date, and shall ensure (i) that the Initial Notes are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within sixty (60) days after the First Issue Date, (ii) that the Notes, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Notes in close connection to the redemption of the Notes

and taking into account that if the Notes are listed on another Regulated Market than Nasdaq Stockholm, the Issuer may always apply for a change of listing to Nasdaq Stockholm) and (iii) that, upon any Subsequent Notes issue, the volume of Notes listed on the corporate bond list of Nasdaq Stockholm (or another Regulated Market, as applicable) promptly, and not later than ten (10) Business Days after the relevant issue date, is increased accordingly.

#### **12.10 Cross default and cross acceleration**

Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), or any Security securing Financial Indebtedness over any asset of any Group Company is enforced, provided that no Event of Default will occur under this paragraph if the aggregate amount of Financial Indebtedness referred to herein is less than SEK 15,000,000 (or its equivalent in any other currency).

#### **12.11 Cessation of business**

Any Group Company suspends or ceases to carry on (or threatens to suspend or cease to carry on) all or a material part of its business, except if due to a permitted merger, demerger or disposal under these Terms and Conditions and provided, in relation to a cessation of business of a Group Company other than the Issuer, that such cessation is likely to have a Material Adverse Effect.

### **13 Acceleration of the Notes**

13.1 Upon the occurrence of an Event of Default, and for as long as such event is continuing, the Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to to Clause 13.4, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

13.2 The Agent may not accelerate the Notes in accordance with Clause 13.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

13.3 The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions



from the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- 13.4 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 13.5 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 13.6 In the event of an acceleration of the Notes in accordance with this Clause 13, the Issuer shall redeem all Notes at an amount per Note equal to 101 per cent. of the Nominal Amount plus any accrued but unpaid Interest.

## **14 Distribution of Proceeds**

- 14.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 13 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.7, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.15, together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
  - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
  - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
  - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including with default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Notes.

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

- 14.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1(a).
- 14.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.
- 14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Redemption Date, the amount(s) to be paid and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

## **15 Decisions by Noteholders**

- 15.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 15.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 15.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 15.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 15.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer shall upon request provide the convening Noteholder(s) with the information available in the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Notes in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- 15.5 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 16.1 or (ii) instigate a Written Procedure by sending

communication in accordance with Clause 17.1, in both cases with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.

15.6 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:

- (a) on the Business Day specified in the notice pursuant to Clause 16.2 in respect of a Noteholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 17.2, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the definition of Adjusted Nominal Amount. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

15.7 The following matters shall require the consent of Noteholders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.2:

- (a) the issue of any Subsequent Notes if the Total Nominal Amount of the Notes exceeds, or if such issue would cause the Total Nominal Amount of the Notes to at any time exceed, SEK 500,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);
- (b) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 9
- (c) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
- (d) a change to the Interest Rate or the Nominal Amount;
- (e) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
- (f) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 15;
- (g) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (h) a mandatory exchange of the Notes for other securities; and
- (i) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 12 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

- 15.8 Any matter not covered by Clause 15.7 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18.1(a) or (b)) and an acceleration of the Notes.
- 15.9 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.7, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 15.10 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.1) or initiate a second Written Procedure (in accordance with Clause 17.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 15.10, the date of request of the second Noteholders' Meeting pursuant to Clause 16.1 or second Written Procedure pursuant to Clause 17.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 15.9 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 15.11 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 15.12 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 15.13 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.14 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders

that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.

- 15.15 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.16 If a decision shall be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company or an Affiliate.
- 15.17 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in Clause 15.6(a) or 15.6(b), as the case may be, and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **16 Noteholders' Meeting**

- 16.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- 16.2 The notice pursuant to Clause 16.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) day on which a person must be a Noteholder in order to exercise Noteholders' rights at the Noteholders' Meeting and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 16.3 The Noteholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 16.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **17 Written Procedure**

- 17.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than ten (10) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 17.2 A communication pursuant to Clause 17.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of communication pursuant to Clause 17.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 17.3 When consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15.7 and 15.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.7 or 15.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **18 Amendments and Waivers**

- 18.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders as a group, 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; or
  - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 15 (*Decisions by Noteholders*).
- 18.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 18.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 18.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

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

## **19 Appointment and replacement of the Agent**

### **19.1 Appointment of Agent**

- 19.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 19.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 19.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

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

- 19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents. The Agent is not responsible for the content, due execution, legal validity, perfection or enforceability of the Finance Documents. The Agent does not review the documents and other evidence delivered to it pursuant to Clause 4.1 or 4.2 from a legal or commercial perspective of the Noteholders.
- 19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall act in the best interest of the Noteholders as a group carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

- 19.2.3 The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Noteholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Noteholders or any other person and no opinion or advice by the Agent will be binding on the Noteholders.
- 19.2.4 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Group with the terms of the Finance Documents (unless to the extent expressly set out in the Finance Documents) or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred.
- 19.2.5 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 19.2.6 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 19.2.7 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of proceeds*).
- 19.2.8 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 19.2.9 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 19.2.10 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 19.2.11 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.10.



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

- 19.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 15 (*Decisions by Noteholders*) or a demand by Noteholders given pursuant to Clause 13.1.
- 19.3.5 The Agent is not liable for information provided to the Noteholders by or on behalf of the Issuer or by any other person.
- 19.3.6 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

### **19.4 Replacement of the Agent**

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

- 19.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **20 Appointment and replacement of the Issuing Agent**

- 20.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 20.2 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.
- 20.3 The Issuing Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties under these Terms and Conditions.

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

- 21.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Notes.
- 21.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or the listing of the Notes on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Securities Markets Act and be authorised as a central securities depository in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.

## **22 No Direct Actions by Noteholders**

- 22.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- 22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.11 before a Noteholder may take any action referred to in Clause 22.1.
- 22.3 The provisions of Clause 22.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 9.6 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

## **23 Prescription**

- 23.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.

- 23.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslagen (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **24 Notices and Press releases**

### **24.1 Notices**

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

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Agent 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 Agent, to such email address notified by the Issuer to the Agent from time to time; and
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the Record Date prior to dispatch, and by either courier delivery or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

- 24.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or if between the Issuer and the Agent, 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 24.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1.1, or, in case of email, when received in readable form by the email recipient.

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

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

### **24.2 Press releases**

- 24.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 9.3 (*Voluntary total redemption (Call option)*), 9.4 (*Equity Claw Back*) 9.5 (*Early redemption due to illegality (Call option)*), 10.1.2, 13.3, 15.17, 16.1, 17.1 and 18.3 shall also be published by way of press release by the Issuer or the Agent, as applicable.

- 24.2.2 In addition to Clause 24.2.1, if any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and

Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.

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

- 25.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 25.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 25.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 25.4 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **26 Governing Law and Jurisdiction**

- 26.1 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.
- 26.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).
-

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

Place:

Date:

**FASTIGHETSBOLAGET EMILSHUS AB (PUBL)**  
**as Issuer**

---

Name:

Name:

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

Place:

Date:

**INTERTRUST (SWEDEN) AB**  
**as Agent**

---

Name:

**Schedule 1**  
**Conditions Precedent for Settlement of Initial Notes**

**1 Documents and agreements**

- (a) A copy of the constitutional documents of the Issuer.
- (b) A copy of a resolution of the board of directors of the Issuer, approving the transactions contemplated by the Notes issue and the Finance Documents and resolving that it execute, deliver and perform its obligations under the Finance Documents and all related documents to which it is or will become a party.
- (c) A copy of the executed Agency Agreement.
- (d) A copy of the executed Terms and Conditions.
- (e) A copy of an executed Compliance Certificate.

**Schedule 2**  
**Conditions Precedent for Settlement of Subsequent Notes**

**1 Documents and agreements**

- (a) A copy of the constitutional documents of Issuer.
- (b) A Compliance Certificate.
- (c) A copy of a resolution of the board of directors of the Issuer, approving the issue of Subsequent Notes.



**Form of Compliance Certificate**

To: Intertrust (Sweden) AB  
From: Fastighetsbolaget Emilshus AB (publ)  
Dated: [●]

Dear Sirs,

**Terms and conditions for Fastighetsbolaget Emilshus AB (publ) with respect to the up to SEK 500,000,000 senior unsecured notes with ISIN SE0013409265 (the “Terms and Conditions”)**

- (1) We refer to the Terms and Conditions. This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
- (2) We confirm the following.
  - (a) The Interest Coverage Ratio on the Test Date *[date]*, was [●].
  - (b) The Net Loan To Value on the Test Date *[date]*, was [●].
  - (c) The Equity Ratio immediately following the Distribution and/or the incurrence or extension of Financial Indebtedness on *[date]* was [●].
- (3) We set out below calculations establishing the figures in paragraph (2):  
  
[●]
- (4) We confirm that no Event of Default is continuing. *[If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.]*
- (5) [Attached hereto you will find copies of any notices sent to the Regulated Market.]

\_\_\_\_\_  
By:

\_\_\_\_\_  
By:

## ADDRESSES

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