

## NOTICE OF WRITTEN PROCEDURE

*Denna kallelse till obligationsinnehavarna är endast utformad på engelska.*

Stockholm, 28 June 2024

To the bondholders in:

ISIN: SE0015797667 – Holmström Fastigheter Holding AB (publ)'s (the "Issuer" and together with its subsidiaries, the "Group") up to SEK 750,000,000 senior unsecured bonds 2021/2024 (the "Bonds")

### NOTICE OF WRITTEN PROCEDURE – REQUEST TO AMEND CERTAIN PROVISIONS IN THE TERMS AND CONDITIONS OF THE BONDS

This voting request for procedure in writing will be sent by regular mail on 28 June 2024 to Bondholders directly registered in the debt register (Sw. *skuldbok*) kept by Euroclear Sweden AB (the "CSD"). This voting request has also been published on the websites of the Issuer and the Agent (as defined below), in accordance with the terms and conditions of the Bonds (the "Terms and Conditions"). If you are an authorised nominee under the Swedish Financial Instruments Accounts Act or if you otherwise are holding Bonds on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. For further information, please see below under Clause 4.4 (*Voting rights and authorisation*).

#### Key information:

Record Date for being eligible to vote:	3 July 2024
Deadline for voting:	15:00 CEST 17 July 2024
Quorum requirement:	At least fifty (50) per cent. of the Adjusted Nominal Amount.
Majority requirement:	At least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount

Nordic Trustee & Agency AB (publ) in its capacity as agent (the "**Agent**") for the holders of the Bonds (the "**Bondholders**") in the abovementioned bond issue with ISIN: SE0015797667 issued by

the Issuer. In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing, whereby Bondholders can vote for or against the Issuer's request to amend the Terms and Conditions of the Bonds.

All capitalised terms used herein and not otherwise defined in this notice (the "**Notice**") shall have the meanings assigned to them in the Terms and Conditions.

**All Bondholders are strongly encouraged to review and consider the Request including the risk factors attached hereto in in Schedule 4 (Risk Factors).**

Bondholders participate by completing and sending the voting form, attached hereto as Schedule 1 (the "**Voting Form**"), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the "**Power of Attorney**"), if the Bonds are held in custody other than by the CSD, to the Agent. Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

The Agent must **receive the Voting Form no later than 15:00 CEST on 17 July 2024** either by mail, courier or email to the Agent using the contact details set out in Clause 4.8 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Bondholder on 3 July 2024 (the "**Record Date**"). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Bonds.

***Disclaimer:*** *The Request (as defined below) is presented to the Bondholders, without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this Notice or the Request (and its effects, should it be adopted) from a legal or commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice and the Request (and its effects, should it be adopted). The Bondholders are recommended to seek legal advice in order to independently evaluate whether the Request (and its effects) is acceptable or not.*

## 1. Background

Due to unexpected market challenges observed during the last 12-18 months, primarily pertaining to interest rate hikes and considerable headwinds for real estate transactions, the Issuer currently deems that it may be difficult to manage deleveraging the Group and redeem the Bonds in full by the time of maturity in October 2024 solely with internally generated cash flows.

To provide sufficient time for the Issuer to stabilise the financing and manage current challenges, the Issuer is seeking certain amendments to the Terms and Conditions, including but not limited to:

- (a) Maturity extension: the final redemption date of the Bonds is extended by two years to 14 October 2026 from 14 October 2024 (being the existing redemption date) (the "**Original Redemption Date**");
- (b) Mandatory partial prepayment: the Issuer shall, on each of (i) the Original Redemption Date and (ii) on the one-year anniversary thereof (being 14 October 2025), redeem Bonds on a *pro rata* basis in an aggregate amount equal to at least, for the Original Redemption Date SEK 80,000,000 and for the one-year anniversary thereof SEK 120,000,000, with each instalment payable at the applicable call price. The mandatory instalments shall be reduced with an amount equivalent to any voluntary partial prepayments made prior to such mandatory partial prepayment date;
- (c) Voluntary partial prepayment: the Issuer may, redeem outstanding Bonds in part or in full at any time before the Final Maturity Date, with each instalment payable at the applicable call price. A voluntary partial prepayment shall, in each case, be made in a minimum amount of no less than SEK 20,000,000 per voluntary partial prepayment and shall be made to the Bondholders on an Interest Payment Date;
- (d) Call option: the call option price is unchanged until the date falling 36 months after the First Issue Date (being 14 April 2024), after which the Issuer may redeem the outstanding Bonds in part or in full at an amount per Bonds equal to:
  - (i) 100% of the outstanding nominal amount of the Bonds, if the Bonds are redeemed after the date falling 36 months after the First Issue Date to, and including the date falling 42 months after the First Issue Date;
  - (ii) at 104% of the outstanding nominal amount of the Bonds, if the Bonds are redeemed after the date falling 42 months after the First Issue Date to, and including the date falling 48 months after the First Issue Date;
  - (iii) at 105% of the outstanding nominal amount of the Bonds, if the Bonds are redeemed after the date falling 48 months after the First Issue Date to, and including the date falling 54 months after the First Issue Date;
  - (iv) at 108% of the outstanding nominal amount of the Bonds, if the Bonds are redeemed after the date falling 54 months after the First Issue Date to, and including the date falling 60 months after the First Issue Date; and

(v) at 112% of the outstanding nominal amount of the Bonds, if the Bonds are redeemed after the date falling 60 months after the First Issue Date and ending on the final maturity date, being 14 October 2026,

in each case together with accrued but unpaid interest;

(e) Security: The shares in the Issuer shall be pledged for the obligations outstanding from time to time under the Finance Documents;

(f) No purchase of Bonds: the Issuer may not purchase Bonds on the market or in any other way unless such repurchase is made in connection with a redemption of the Bonds in full;

(g) No dividends: the Issuer shall not be permitted to pay any dividends and/or repay any subordinated debt;

(h) Negative pledge: the Issuer shall not, and shall procure that no other Group Company will, provide, prolong or renew any Security over any of its assets (present or future) to secure any Financial Indebtedness, other than in respect of Permitted Debt;

(i) Disposals:

(i) The Issuer shall not, and shall ensure that no other Group Company will, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or a substantial part of the assets or operations of the Group to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction (i) is carried out on market terms and on terms and conditions customary for such transaction, (ii) does not have a Material Adverse Effect and (iii) no Event of Default is outstanding or will arise as a result of such disposal.

(ii) Upon the occurrence of an Event of Default pursuant to Clause 14.1(a) (*Non-payment*) and for as long as it is continuing, the Issuer shall cooperate with the Agent to dispose of assets of the Group to enable the Issuer to make payments in respect of outstanding amounts payable by it under the Finance Documents and redeem the outstanding Bonds in full. For the avoidance of doubt, the above shall apply whether or not an acceleration of the Bonds or enforcement of any Transaction Security has been initiated by the Agent (on behalf of the Bondholders);

(j) Loans out:

(i) the Issuer shall not, and shall procure that no Group Company will, grant or extend any new loans to any other party, save for to other Group Companies, to associated entities (Sw. *intressebolag*) or entities which a member of the Group holds a minority stake (Sw. *minoritetsbolag*), unless such loans are made in the ordinary course of such Group Company's business or in respect of any vendor financing or deferred purchase price relating to any disposal permitted pursuant to Clause 13.1 (*Disposals*); and

- (ii) the Issuer (or any member of the Group) shall not be permitted to grant or extend any new loans (excluding capitalised interest on any such loans existing on the Effective Date) to associated entities (Sw. *intressebolag*) or entities which a member of the Group holds a minority stake (Sw. *minoritetsbolag*), unless such loan is (i) financed by new equity in the Issuer and/or Subordinated Loan(s), (ii) made to Vincero Holdings and provided that the aggregate amount of loans granted after the Effective Date and not financed by new equity or Subordinated Loan(s) does not exceed SEK 35,000,000 (excluding any capitalised interest) in aggregate at any time or (iii) made to a tenant owner association (Sw. *bostadsrättsförening*) owned by a Group Company;
- (k) Minimum Cash: the Issuer shall ensure that at all times, the Group Liquidity shall not be less than the lower of (i) an amount corresponding to interest on the Issuer's outstanding Market Loans during the following six (6) months (excluding Market Loans owed to a Group Company and assuming that the Interest Rate for the period from the relevant Test Date will be equal to the Interest Rate in effect on that Test Date) or (ii) SEK 30,000,000;
- (l) EHAB shares: 19,368 shares in Esmaeilzadeh Holding AB ("**EHAB**") to be contributed to the Issuer on a no cash basis by way of shareholders' contribution (Sw. *aktieägartillskott*) (including a sale against a promissory note or equivalent provided that such promissory note or equivalent is forgiven or contributed as equity to the Issuer promptly thereafter) (the "**EHAB Transfer**");
- (m) New Magnolia shares: remaining shares in HAM Nordic AB ("**HAM**"), the parent company of Magnolia Bostad AB (publ), owned by F. Holmström Fastigheter AB (being 6,299 shares in HAM) to be contributed to the Issuer on a no cash basis by way of shareholders' contribution (Sw. *aktieägartillskott*) (including a sale against a promissory note or equivalent provided that such promissory note or equivalent is forgiven or contributed as equity to the Issuer promptly thereafter) (the "**HAM Transfer**");
- (n) Injection upon a EHAB or Novedo Disposal: if F. Holmströmgruppen AB and/or its Subsidiaries from time to time (excluding any Group Company) (a "**Parent Group Company**"), at one or several occasions after the Effective Date and up until the 14 October 2026 or such earlier date as the Bonds are redeemed in full, sells, transfers or otherwise disposes of its shares in Esmaeilzadeh Holding AB and/or Novedo Holding AB (publ) where the aggregate net proceeds received in cash by such Parent Group Company from such transactions exceeds SEK 150,000,000 (excluding any such transfer made between Parent Group Companies) ("**EHAB or Novedo Disposal**"), the Issuer shall procure that any such amount exceeding SEK 150,000,000 from such EHAB or Novedo Disposal shall promptly be injected to the Issuer in the form of equity and/or Subordinated Loan; and
- (o) Restrictions on new long-term debt: the Issuer undertakes not to, among other things, issue any new subsequent bonds, incur new financial indebtedness (other than refinancings on the same levels and extensions), save for certain permitted indebtedness, including but not limited to, capex investment financing for the purpose of financing sustainable investments in the properties or buildings in an aggregate amount not exceeding an amount of SEK 30,000,000.

## **2. Amendment of the Terms and Conditions**

In order to achieve the above mentioned objectives, the Issuer hereby requests that the Bondholders approve to amend the Terms and Conditions as set out in Schedule 3 (*Amended and Restated Terms and Conditions*) (the "**Amended and Restated Terms and Conditions**") (the "**Request**").

If the Request is approved in the Written Procedure, the Bondholders' give the Agent the power to enter into all agreements and take all actions that the Agent deems necessary in order to implement the Request.

The Agent is informed that Bondholders representing approximately 63 per cent. of the Adjusted Nominal Amount have undertaken to vote in favour of the Request.

## **3. Effective Date**

The Request shall be deemed approved immediately after the expiry of the voting period and satisfaction of the requisite quorum participation and majority vote as set forth in Clause 4.6 (*Quorum*) and Clause 4.7 (*Majority*) below, or if earlier, when a requisite majority of consents of the Adjusted Nominal Amount have been received by the Agent.

The Request will come into effect upon the Agent having waived or being satisfied (acting reasonably) that it has received the following documentation and evidence:

- (a) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent), together constituting evidence that the Finance Documents have been duly executed copy of a duly executed Amended and Restated Terms and Conditions;
- (b) completion of the HAM Transfer and the EHAB Transfer;
- (c) a copy of the duly executed pledge agreement regarding a first priority pledge over the shares in the Issuer; and
- (d) such other documents and evidence as is agreed between the Agent and the Issuer.

In addition, the Issuer and the Agent may agree to take any other action deemed required as confirmed by the Agent in order to implement the Request.

## **4. Written Procedure**

The following instructions need to be adhered to under the Written Procedure.

### **4.1 Final date to participate in the Written Procedure**

The Agent must have received the votes by mail, courier or email to the address indicated below no later than 15:00 (CEST), 17 July 2024. Votes received thereafter may be disregarded.

## 4.2 Consent fee

Subject to satisfaction of the conditions set forth in Clause 3.2.1 (*Fee conditions*), the Issuer will pay a consent fee (the "**Consent Fee**") to all Bondholders if the Request is approved under the Written Procedure. The Consent Fee, which will be an amount equal to 0.75 per cent. of the Nominal Amount of each Bond, shall be calculated based on the aggregate principal amount held by the relevant Bondholder on the record date for Bondholders to be eligible to receive the Consent Fee (the "**Consent Fee Record Date**"). The Consent Fee Record Date will occur five Business Days after the date the Agent announces the approval of the Request. Please note that this means that a Bondholder that has voted in the Written Procedure but is not registered in the debt register as a direct registered owner or authorised nominee with respect to one or several Bonds on the Consent Fee Record Date will not be entitled to the Consent Fee.

The Agent does not administer the Consent Fee and is not involved in or in any way responsible for the Consent Fee.

### 4.2.1 Fee conditions

Payment of the Consent Fee as stated in Clause 3.2 (*Consent fee*) is conditional upon the quorum and majority requirements being satisfied such that the Request is approved in the Written Procedure.

### 4.2.2 Payment of fees

Any payment of the Consent Fee will be effected to Bondholders through the CSD, which will credit the income account (*Sw. avkastningskonto*) to which interest payments on the Bonds are made to the relevant Bondholder.

The expected settlement date for payment of the Consent Fee is no later than five Business Days after the Consent Fee Record Date. Payments are expected to be made without withholding or deduction for any applicable taxes and each Bondholder must make its own determination as to whether or not it is required to pay tax on any amounts it receives in connection with the Request.

## 4.3 Decision procedure

The Agent will determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired. The Issuer and the Agent shall, in order to implement and effectuate the amendments, enter into the Amended and Restated Terms and Conditions.

Information about the decision taken under the Written Procedure will: (i) be sent by notice to the Bondholders and (ii) be published on the websites of (a) the Issuer and (b) the Agent.

A matter decided under the Written Procedure will be binding for all Bondholders, irrespective of them responding in the Written Procedure.

#### **4.4 Voting rights and authorisation**

Anyone who wishes to participate in the Written Procedure must on the Record Date (3 July 2024) in the debt register:

- (a) be registered as a direct registered owner of a Securities Account; or
- (b) be registered as authorised nominee in a Securities Account, with respect to one or several Bonds.

#### **4.5 Bonds registered with a nominee**

If you are not registered as a direct registered owner, but your Bonds are held through a registered authorised nominee or another intermediary, you may have two different options to influence the voting for the Bonds.

1. You can ask the authorised nominee or other intermediary that holds the Bonds on your behalf to vote in its own name as instructed by you.
2. You can obtain a Power of Attorney (Schedule 2) from the authorised nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as bondholder of the Securities Account, or from each intermediary in the chain of bondholders, starting with the intermediary that is registered in the debt register as a Bondholder of the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate. Bonds owned by the Issuer, another Group Company or an Affiliate do not entitle to any voting rights.

#### **4.6 Quorum**

To approve the Request, Bondholders representing at least fifty (50) per cent of the Adjusted Nominal Amount must reply to the Request under the Written Procedure in order to form a quorum.

#### **4.7 Majority**

At least sixty-six and two thirds ( $66\frac{2}{3}$ ) per cent of the Adjusted Nominal Amount for which Bondholders reply under the Written Procedure must consent to the Request.

#### 4.8 Address for sending replies

Return the Voting Form, Schedule 1, and, if applicable, the Power of Attorney/Authorisation in Schedule 2 or other sufficient evidence, if the Bonds are held in custody other than the CSD, by regular mail, scanned copy by email, or by courier to:

**By regular mail:**

Nordic Trustee & Agency AB (publ)  
Attn: Written Procedure Holmström Fastigheter Holding AB (publ)  
P.O. Box 7329  
S-103 90 Stockholm

**By courier:**

Nordic Trustee & Agency AB  
Attn: Written Procedure Holmström Fastigheter Holding AB (publ)  
Norrandsgatan 23  
111 43 Stockholm

**By email:**

E-mail: [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com)

#### 5. FURTHER INFORMATION

For further questions to the Issuer, regarding the request, please contact the Issuer at Ken Wendelin CFO/Deputy CEO [Ken.wendelin@holmstromgruppen.se](mailto:Ken.wendelin@holmstromgruppen.se) or +46 8 660 94 00.

For further questions to the Agent, regarding the administration of the Written Procedure, please contact the Agent at [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com) or +46 8 783 79 00.

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**Stockholm, 28 June 2024**

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

as Agent

**Enclosed:**

<b>Schedule 1</b>	Voting Form
<b>Schedule 2</b>	Power of Attorney/Authorisation
<b>Schedule 3</b>	Amended and Restated Terms and Conditions
<b>Schedule 4</b>	Risk Factors

# VOTING FORM

## Schedule 1

For the Written Procedure in Holmström Fastigheter Holding AB (publ) of the up to SEK 750,000,000 senior unsecured bonds 2021/2024 with ISIN: SE0015797667

The undersigned Bondholder or authorised person/entity (the “**Voting Person**”), votes either **For** or **Against** the Request by marking the applicable box below.

**NOTE:** If the Voting Person is not registered as Bondholder (as defined in the Terms and Conditions), the Voting Person must enclose a Power of Attorney/Authorisation, see Schedule 2.

**For** the Request

**Against** the Request

Name of the Voting Person: \_\_\_\_\_

Capacity of the Voting Person:

Bondholder:

<sup>1</sup>

authorised person

<sup>2</sup>

Voting Person’s reg.no/id.no  
and country of incorporation/domicile: \_\_\_\_\_

Securities Account number at Euroclear Sweden:  
(if applicable) \_\_\_\_\_

Name and Securities Account number of custodian(s):  
(if applicable) \_\_\_\_\_

Nominal Amount voted for (in SEK): \_\_\_\_\_

Day time telephone number, e-mail address and contact person:  
\_\_\_\_\_

\_\_\_\_\_  
Authorised signature and Name <sup>3</sup>

\_\_\_\_\_  
Place, date:

<sup>1</sup> When voting in this capacity, no further evidence is required.

<sup>2</sup> When voting in this capacity, the person/entity voting must also enclose Power of Attorney/Authorisation (Schedule 2) from the Bondholder or other proof of authorisation showing the number of votes held on the Record Date.

<sup>3</sup> If the undersigned is not a Bondholder according the Terms and Condition and has marked the box “authorised person”, the undersigned – by signing this document – confirms that the Bondholder has been instructed to refrain from voting for the number of votes cast with this Voting Form.

# POWER OF ATTORNEY/AUTHORISATION

## Schedule 2

For the Written Procedure in Holmström Fastigheter Holding AB (publ) of the up to SEK 750,000,000 senior unsecured bonds 2021/2024 with ISIN: SE0015797667

**NOTE:** This Power of Attorney/Authorisation document shall be filled out if the Voting Person is not registered as Bondholder on the Securities Account, held with Euroclear Sweden. It must always be established a coherent chain of power of attorneys derived from the Bondholder. I.e. if the person/entity filling out this Power of Attorney/Authorisation in its capacity as "other intermediary", the person/entity must enclose its Power of Attorney/Authorisation from the Bondholder.

Name of person/entity that is given authorisation (Sw. *befullmäktigad*) to vote as per the Record Date:

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Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Record Date:

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Name of Bondholder or other intermediary giving the authorisation (Sw. *fullmaktsgivaren*):

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We hereby confirm that the person/entity specified above (Sw. *befullmäktigad*) has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of: SEK \_\_\_\_\_

We are:

Registered as Bondholder on the Securities Account

Other intermediary and holds the Bondholder through (specify below):

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Place, date: \_\_\_\_\_

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Name:

Authorised signature of Bondholder / other intermediary (Sw. *fullmaktsgivaren*)

# **AMENDED AND RESTATED TERMS AND CONDITIONS**

*Schedule 3*

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**HOLMSTRÖM**  
**FASTIGHETER HOLDING**

**TERMS AND CONDITIONS FOR**  
**HOLMSTRÖM FASTIGHETER HOLDING AB (PUBL)**  
**UP TO SEK 500,000,000**  
**SENIOR SECURED FLOATING RATE BONDS**

**ISIN: SE0015797667**

*Originally dated 7 April 2021 and as amended and restated by an amendment and restatement agreement dated [•] 2024*

## SELLING RESTRICTIONS

No action is being taken that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds 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.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. Persons, except for "Qualified Institutional Buyers" ("QIB") within the meaning of Rule 144A under the U.S. Securities Act. In the application form relating to the Bonds, each person applying for the Bonds must confirm whether it is a U.S. person as defined in Rule 902 of Regulation S under the U.S. Securities Act, and if it is a U.S. person it must confirm, inter alia, that it is a QIB. Nordea Bank Abp's ability to engage in U.S. securities dealings is limited under the U.S. Bank Holding Company Act and therefore may not offer or sell securities in the United States. Nordea Bank Abp will only offer and sell the securities that are part of its allotment solely outside the United States.

In so far as the offer of the Bonds is made or would cause any effect in the United Kingdom, the offer when made will be only addressed to and directed at persons in the United Kingdom who (i) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), (ii) are persons who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) are other persons to whom documentation prepared for the offering of the Bonds may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). Any documents produced in connection with the offering of the Bonds must not be acted on or relied on in the United Kingdom by persons who are not Relevant Persons. Any investment or investment activity to which this document relates is available only to Relevant Persons in the United Kingdom and will be engaged in only with such persons.

Other restrictions may apply and each investor must ensure compliance with local laws and regulations applicable at their own cost and expense.

## PRIVACY NOTICE

The Issuer, the Agent, the Security Agent and the Issuing Agent may collect and process personal data relating to the Bondholders, the Bondholders' representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders 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, the Security 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 Bonds and payments under the Bonds;

- (c) to enable the Bondholders' 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, the Security 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 or Agent, the Security 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, the Security 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, the Security 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.holmstromfastigheterholding.se](http://www.holmstromfastigheterholding.se), [www.nordictrustee.se](http://www.nordictrustee.se) and [www.nordea.com](http://www.nordea.com).

**TABLE OF CONTENTS**

1.	DEFINITIONS AND CONSTRUCTION.....	5
2.	STATUS OF THE BONDS.....	15
3.	USE OF PROCEEDS.....	16
4.	CONDITIONS PRECEDENT FOR EFFECTIVE DATE.....	16
5.	BONDS IN BOOK-ENTRY FORM.....	16
6.	RIGHT TO ACT ON BEHALF OF A BONDHOLDER.....	16
7.	PAYMENTS IN RESPECT OF THE BONDS.....	17
8.	INTEREST.....	18
9.	REDEMPTION AND REPURCHASE OF THE BONDS.....	18
10.	TRANSACTION SECURITY.....	21
11.	INFORMATION TO BONDHOLDERS.....	22
12.	FINANCIAL COVENANTS.....	23
13.	GENERAL UNDERTAKINGS.....	24
14.	ACCELERATION OF THE BONDS.....	28
15.	DISTRIBUTION OF PROCEEDS.....	31
16.	DECISIONS BY BONDHOLDERS.....	32
17.	AMENDMENTS AND WAIVERS.....	36
18.	THE AGENT AND THE SECURITY AGENT.....	37
19.	THE ISSUING AGENT.....	41
20.	THE CSD.....	42
21.	NO DIRECT ACTIONS BY BONDHOLDERS.....	42
22.	PRESCRIPTION.....	43
23.	COMMUNICATIONS AND PRESS RELEASES.....	43
24.	FORCE MAJEURE.....	44
25.	GOVERNING LAW AND JURISDICTION.....	44

## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

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

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

“**Accounting Principles**” means the generally accepted accounting principles, standards and practices in Sweden, including the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Adjusted Earnings**” means, in respect of any Reference Period, the Group’s consolidated net operating income from property management (Sw. *driftnetto*) for that Reference Period as shown in the relevant financial statements delivered (or required to be delivered) for that Reference Period. For the avoidance of doubt, (i) any profits, losses, dividends or other distributions relating to the Magnolia Holdings, the Vincero Holdings or any other person which is not a Group Company during that Reference Period, or (ii) any realised or unrealised profits or losses relating to changes in the value of the Total Assets during that Reference Period, shall not be taken into account when calculating the Adjusted Earnings.

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

“**Advance Purchase Agreements**” means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are no longer than 90 days after the supply of assets or services or (b) any other trade credit incurred in the ordinary course of business.

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Bonds (irrespective of whether such person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Bonds in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

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

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

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

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

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clauses 16.1 (*Request for a decision*), 16.2 (*Convening of Bondholders’ Meeting*) and 16.4 (*Majority, quorum and other provisions*).

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

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

“**Change of Control Event**” means an event or series of events, where one or more persons (other than the Main Shareholder) acting in concert, directly or indirectly, obtains ownership or control over more than fifty (50) per cent. of the total number of shares and votes in the Issuer.

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

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) in relation to each Test Date, percentage, figures and calculations of (i) the Equity Ratio and (ii) (A) the Interest Coverage Ratio or (B) the Group Liquidity (as applicable); and
- (c) in relation to the Test Date being each 31 December, compliance with the undertaking set out in Clause 13.4(b) regarding Real Estate Related Investments.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074.

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

“**De-listing Event**” means in the case of a successful admission to trading, that the Bonds cease to be admitted to listing on Nasdaq Stockholm (or another Regulated Market) without being admitted to trading on another Regulated Market.

**“Debt Register”** means the debt register (*skuldbok*) kept by the CSD in respect of the Bonds in which (i) an owner of Bonds is directly registered or (ii) an owner’s holding of Bonds is registered in the name of a nominee.

**“Effective Date”** means the date on which the Agent gives notification to the Issuer that it has waived or has received all documentation and evidence for the effective date for the Issuer’s request as set out in the Notice of Written Procedure

**“EHAB or Novedo Disposal”** has the meaning set forth in Clause 13.6.

**“EHAB Shares”** means 19,368 shares in Esmailzadeh Holding AB.

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

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

**“Existing Subsequent Bonds”** means Bonds issued on the Second Issue Date.

**“Final Maturity Date”** means 14 October 2026.

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

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

- (a) moneys borrowed (including under any bank financing or Market Loan);
- (b) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability), provided that any existing or future leases which would at the First Issue Date have been treated as operating leases, shall not be considered as being finance leases due to any subsequent change in the Accounting Principles;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any 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;
- (e) 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);
- (f) any counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and

- (g) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (f) above.

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

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

**“First Call Date”** means the date falling twenty-one (21) months after the First Issue Date.

**“First Issue Date”** means 14 April 2021.

**“Force Majeure Event”** has the meaning set forth in Clause 24.1.

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

**“Group Liquidity”** means the amount of cash in the Group which is lawfully available for the Issuer.

**“HAM Shares”** means the 6,299 shares in HAM Nordic AB (the parent company of Magnolia Bostad AB (publ)), owned by the Parent.

**“Holding Company”** means, in relation to a person, any other person in respect of which it is a Subsidiary.

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

**“Insolvent”** means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other relevant jurisdiction).

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

**“Interest Coverage Ratio”** means the ratio of Adjusted Earnings to Net Interest Expenses in respect of any Reference Period.

**“Interest Payment Date”** means 14 January, 14 April, 14 July and 14 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 14 July 2021 and the last Interest Payment Date shall be the relevant Redemption Date.

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

**“Interest Rate”** means STIBOR plus 5.00 per cent. *per annum*.

**“Issue Date”** means the First Issue Date and the Second Issue Date and each other date on which Bonds are to be issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

**“Issuer”** means Holmström Fastigheter Holding AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 559286-6809.

**“Issuing Agent”** means, initially, Nordea Bank Abp, filial Sverige and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

**“Listing Failure Event”** means (i) that the Initial Bonds are not admitted to trading on a Market Place within sixty (60) days following the First Issue Date (although the Issuer shall use its best efforts to admit the Initial Bonds to trading on a Market Place within thirty (30) days from the First Issue Date), or (ii) that the Existing Subsequent Bonds are not admitted to trading on a Market Place within sixty (60) days following their Issue Date (although the Issuer shall use its best efforts to admit the Existing Subsequent Bonds to trading on a Market Place within thirty (30) days from their Issue Date).

**“Magnolia Holdings”** means the Group’s direct or indirect holdings of shares in Magnolia Bostad AB (publ).

**“Main Shareholder”** means Fredrik Holmström, personal identification no. 710525-0539, his spouse or any of his direct or indirect heirs or his estate, by way of direct or indirect ownership of shares.

**“Maintenance Covenant”** has the meaning set forth in Clause 12.1 (*Maintenance Covenant*).

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

- (a) 102.50% of the outstanding Nominal Amount, as if such payment originally should have taken place on the First Call Date; and
- (b) the remaining interest payments, less any accrued but unpaid interest up to the relevant redemption date, to but not including the First Call Date (assuming that the Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders).

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

**“Market Place”** means a Regulated Market, an MTF or any recognised unregulated market place.

**“Material Adverse Effect”** means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Issuer’s ability to perform and comply with its payment obligations under the Terms and Conditions, or (c) the validity or enforceability of the Terms and Conditions.

**“MTF”** means any multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments).

**“Net Interest Expenses”** means, for any Reference Period, the aggregate of all interest expenses incurred by the Group (excluding (A) any interest on Subordinated Loans and (B) for the avoidance of doubt, any fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) interest rate caps and interest rate options, (ii) the Bonds and the Finance Documents, (iii) any Market Loans and other financial indebtedness of the Group, (iv) any property acquisition or divestment and (v) any reorganisation in respect of the Group) less all interest income earned by the Group, in each case on a consolidated basis during that Reference Period.

**“Net Proceeds”** means the gross proceeds from the offering of the relevant Bonds, minus the costs and expenses incurred by the Issuer in conjunction with the issuance thereof.

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

**“Notice of Written Procedure”** means the notice of written procedure initiated by Issuer under the Bonds on [date] 2024.

**“Parent”** means F. Holmström Fastigheter AB, a private limited liability company incorporated under the laws of Sweden with Reg. No. 556530-3186.

**“Parent Group”** means F. Holmströmgruppen AB and its Subsidiaries from time to time (excluding any Group Company) (each a **“Parent Group Company”**).

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

- (a) incurred under the Bonds;
- (b) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (c) arising under commodity transaction for spot or forward delivery entered into in connection with protection against prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions but not any transaction for investment or speculative purposes;
- (d) of the Group incurred pursuant to any finance leases under site lease agreement (Sw. *tomträttsavtal*) for Properties;
- (e) of the Group under any guarantee issued by a Group Company in the ordinary course of business (including but not limited to any guarantees or indemnities in relation to any Financial Indebtedness incurred by a member of the Group, a

company in which the Group holds a minority shareholding (Sw. *minoritetsbolag*), an associated company of the Group Subsidiary (Sw. *intressebolag*) or a tenant owner association (Sw. *bostadsrättsförening*) owned by a Group Company) existing on the Effective Date and/or, in respect of any tenant owner associations owned by a Group Company, any such guarantee issued after the Effective Date, in each case including any extension and/or replacement of such guarantee provided that the amount of such guarantee is not increased by such extension and/or replacement;

- (f) incurred by a Group Company from another Group Company (including any cash pool arrangements);
- (g) incurred by a Group Company from any company in which the Group holds a minority shareholding (Sw. *minoritetsbolag*) or any associated company of the Group Subsidiary (Sw. *intressebolag*) existing on the Effective Date, including any extension and/or replacement of such Financial Indebtedness provided that the amount of such Financial Indebtedness is not increased by such extension and/or replacement;
- (h) incurred under Advance Purchase Agreements;
- (i) incurred under any pension and tax liabilities in the ordinary course of business by any Group Company;
- (j) incurred under any Subordinated Loan;
- (k) incurred by a Group Company (other than the Issuer) in relation to investments, projects and properties in the ordinary course of business existing on the Effective Date or any Financial Indebtedness incurred after the Effective Date in accordance with paragraph (l) below, including any extension and/or replacement of such Financial Indebtedness provided that the amount of such Financial Indebtedness is not increased by such extension and/or replacement;
- (l) incurred by a Group Company (other than the Issuer) in relation to capex investment financing for the purpose of financing sustainable investments in respect of the Properties in an aggregate maximum amount of SEK 30,000,000;
- (m) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- (n) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, inter alia, the redemption of the Bonds; and
- (o) not covered under paragraphs (a)-(n) above in an aggregate maximum amount of SEK 5,000,000.

**“Properties”** means all properties owned by the Group from time to time (each a **“Property”**).

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

**“Real Estate Related Investments”** means any asset or investment (including loans and other financing) related to acquisition, development, ownership, renovation or management of real properties and site leasehold rights and acquisition of shares or other interests in entities (including, without limitation, tenant-owner associations (Sw. *bostadsrättsföreningar*)) directly or indirectly carrying out (or intending to carry out) such activities (including any shares held in Esmaeilzadeh Holding AB and/or Novedo Holding AB (publ) from time to time), including any return on such investments.

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

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

**“Reference Period”** means each period of twelve (12) consecutive calendar months, or such shorter period commencing on 1 July 2021, ending on a Test Date.

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

**“Restricted Payment”** has the meaning set forth on Clause 13.5 (*Distributions*).

**“Second Issue Date”** means 31 August 2021.

**“Secured Obligations”** means all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by the Issuer towards the Secured Parties outstanding from time to time under the Finance Documents.

**“Secured Parties”** means the Security Agent, the Bondholders and the Agent (including in its capacity as Agent under the Agency Agreement).

**“Securities Account”** means the account for dematerialised securities (*avstämningsregister*) 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.

**“Security Agent”** means the security agent holding the Transaction Security on behalf of the Secured Parties, being Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879 on the Effective Date.

**“Security Documents”** means the security documents pursuant to which the Transaction Security is created and any other document designated as a Security Document by the Issuer and the Security Agent.

**“STIBOR”** means:

- (a) the applicable percentage rate per annum administered and calculated by the Swedish Financial Benchmark Facility AB (or any replacement administrator or calculator) displayed on page “STIBOR=Q” of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate as described in (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates administered and calculated by the Swedish Financial Benchmark Facility AB (or any replacement administrator or calculator) displayed on page “STIBOR=Q” of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor; or
- (c) if no rate as described in (b) is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the applicable period; or
- (d) if no quotation is available pursuant to paragraph (c), 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 applicable period; and

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

**“Subordinated Loan”** means each loan provided to the Issuer and which is subordinated to the obligations of the Issuer under the Finance Documents pursuant to the terms of the Subordination Agreement.

**“Subordination Agreement”** means the subordination agreement dated on or before the First Issue Date initially between, *inter alios*, the Issuer, the Agent and the Subordinated Lender (as defined therein), as amended from time to time, pursuant to which all Subordinated Loans shall be subordinated to the Bonds.

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

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

“**Test Date**” means 31 March, 30 June, 30 September, 31 December each year. The first Test Date shall be 30 June 2021.

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

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

“**Transaction Security**” means the Security provided for the Secured Obligations pursuant to the Security Documents, being a share pledge over all shares in the Issuer.

“**Vincero Holdings**” means the Group’s direct or indirect holdings of shares in Vincero Fastigheter 5 AB, Reg. No. 559299-5467, and Vincero Fastigheter 8 AB, Reg. No. 559469-0520.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clauses 16.1 (*Request for a decision*), 16.3 (*Instigation of Written Procedure*) and 16.4 (*Majority, quorum and other provisions*).

## 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 law, 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 regulation is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

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

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

- 1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- 1.2.5 No delay or omission of the Agent, the Security Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.6 The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

## 2. STATUS OF THE BONDS

- 2.1 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- 2.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- 2.3 The initial nominal amount of each Bond is SEK 1,250,000 (the “**Nominal Amount**”). All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount. The maximum Total Nominal Amount of the Initial Bonds is SEK 300,000,000.
- 2.4 The maximum Total Nominal Amount of the Bonds (the Initial Bonds and the Existing Subsequent Bonds) may not exceed the lower of (i) SEK 500,000,000 and (ii) the Outstanding Nominal Amount at any time, unless a consent from the Bondholders is obtained in accordance with Clause 16.4.2(a). Each Existing Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Bonds.
- 2.5 The Bonds constitute direct, general, unconditional, unsubordinated and secured 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 obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.
- 2.6 The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a Bondholder may be subject. Each Bondholder 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 Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### **3. USE OF PROCEEDS**

The Issuer shall use the Net Proceeds from the issue of the Bonds, for (i) financing and/or refinancing acquisition of real properties, (ii) refinancing existing debt of the Group in the aggregate amount of not less than SEK 240,000,000 and (iii) finance general corporate purposes.

### **4. CONDITIONS PRECEDENT FOR EFFECTIVE DATE**

These Terms and Conditions shall only enter into effect on and from the Effective Date.

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

5.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Bondholders and their holdings of Bonds.

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

5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.

5.4 The Issuer and the Agent may use the information referred to in Clause 5.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

### **6. RIGHT TO ACT ON BEHALF OF A BONDHOLDER**

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

6.2 A Bondholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.

6.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 6.2 and may assume that such document 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.

- 6.4 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (*förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

## 7. PAYMENTS IN RESPECT OF THE BONDS

- 7.1 Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders 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 All amounts payable by the Issuer to the Bondholders shall be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Sweden or any authority thereof or therein unless such withholding or deduction is required by regulation or the interpretation or application of such regulation. If such withholding or deduction is required, the Issuer will at the request of the relevant Bondholder pay such additional amounts (the “**Additional Amounts**”) as are necessary in order that the net amount received by the relevant Bondholder, after such withholding or deduction, shall be equal to the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction.
- 7.6 Notwithstanding Clause 7.5, no Additional Amounts shall be payable on account of any taxes or duties which:
- (a) are payable by reason of any relevant person having, or having had, some connection with Sweden other than the mere holding of the Bond(s);
  - (b) would not be payable if a relevant person made a declaration of non-residence or similar claim for exemption to the relevant tax authority;

- (c) would not be payable if a relevant person could claim an exemption under a tax treaty;
- (d) are withheld or deducted pursuant to any European Union Directive or Regulation concerning the taxation of interest income or any regulation implementing or complying with such Directive or Regulation; or
- (e) gives rise to a tax credit that may be effectively used by a relevant person.

## **8. INTEREST**

- 8.1 Each Initial Bond 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. Each Existing Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders 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) per cent. higher than the Interest Rate. The default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to 112% of the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

### **9.2 Purchase of Bonds by the Issuer**

The Issuer may not purchase Bonds on the market or in any other way unless such repurchase is made in connection with a redemption of the Bonds in full.

### 9.3 Voluntary redemption (call option)

9.3.1 The Issuer may redeem outstanding Bonds in part or in full at any time before the Final Maturity Date at an amount per Bond equal to:

- (a) the Make Whole Amount, if the Bonds are redeemed during a period starting on the First Issue Date and ending on the day falling on the First Call Date;
- (b) 102.50% of the Nominal Amount, if the Bonds are redeemed during a period starting on or after the date First Call Date to, and including the date falling 24 months after the First Issue Date;
- (c) 102% of the Nominal Amount, if the Bonds are redeemed during a period starting after the date falling 24 months after the First Issue Date to, and including the date falling 30 months after the First Issue Date;
- (d) 101% of the Nominal Amount, if the Bonds are redeemed during a period starting after the date falling 30 months after the First Issue Date to, and including the date falling 36 months after the First Issue Date;
- (e) 100% of the Nominal Amount, if the Bonds are redeemed during a period starting after the date falling 36 months after the First Issue Date to, and including, the date falling 42 months after the First Issue Date;
- (f) 104% of the Nominal Amount, if the Bonds are redeemed during a period starting after the date falling 42 months after the First Issue Date to, and including the date falling 48 months after the First Issue Date;
- (g) 105% of the Nominal Amount, if the Bonds are redeemed during a period starting after the date falling 48 months after the First Issue Date to, and including the date falling 54 months after the First Issue Date;
- (h) 108% of the Nominal Amount, if the Bonds are redeemed during a period starting after the date falling 54 months after the First Issue Date to, and including the date falling 60 months after the First Issue Date; and
- (i) 112% of the Nominal Amount, if the Bonds are redeemed during a period starting after the date falling 60 months after the First Issue Date and ending on the Final Maturity Date,

in each case together with accrued but unpaid interest.

9.3.2 A redemption in part in accordance with 9.3.1 above, shall be made on a *pro rata* basis and rounded down to the nearest SEK 1.00 per Bond. Each voluntary partial prepayment in accordance with 9.3.1 above shall, in each case, be made in a minimum amount of no less than SEK 20,000,000 and shall be made to the Bondholders on an Interest Payment Date.

9.3.3 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a

person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Upon fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

#### 9.4 **Mandatory Partial Redemption**

9.4.1 The Issuer shall:

- (a) on 14 October 2024, redeem Bonds in an amount of at least SEK 80,000,000 at a price per Bond equal to 100% of the Nominal Amount; and
- (b) on 14 October 2025, redeem Bonds in an amount of at least SEK 120,000,000 (less any amount exceeding SEK 80,000,000 redeemed in accordance with paragraph (a) above) at a price per Bond equal to 104% of the Nominal Amount,

in each case on a *pro rata* basis.

9.4.2 The amount to be prepaid in accordance with 9.4.1 above, shall be reduced with an amount equivalent to any voluntary partial prepayments made prior to such mandatory partial prepayment date in accordance with paragraph 9.3.1 above and be rounded down to the nearest SEK 1.00 per Bond.

#### 9.5 **Early redemption due to illegality and repurchase due to a tax event (call option)**

9.5.1 The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond 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 may repurchase the relevant Bonds if, as a result of any change in, or amendment to regulations in Sweden, or any change in the interpretation or application of such regulations, which amendment or change is effective on or after the First Issue Date, the Issuer has or will become required to pay any Additional Amount in relation to such Bonds and this obligation cannot be avoided by reasonable measures available to the Issuer. The Bonds shall be repurchased at an amount per Bond equal to the amount specified in Clause 9.3 (*Voluntary redemption (call option)*).

9.5.3 The applicability of Clause 9.5.1 or 9.5.2 shall be supported by a legal opinion issued by a reputable law firm.

9.5.4 The Issuer may give notice of redemption pursuant to Clause 9.5.1 and repurchase pursuant to Clause 9.5.2 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer shall redeem, or repurchase (in which case each relevant Bondholder shall sell), as the case may be, the Bonds in full at the applicable amount on the specified Redemption Date.

## 9.6 **Mandatory repurchase (put option)**

- 9.6.1 Upon the occurrence of a Change of Control Event, De-listing Event or a Listing Failure Event, each Bondholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event, De-listing Event or Listing Failure Event, as the case may be, pursuant to Clause 11.1.2 (after which time period such right shall lapse), have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event, De-listing Event or the Listing Failure Event, as the case may be.
- 9.6.2 The notice from the Issuer pursuant to Clause 11.1.2 shall specify the period during which the right pursuant to Clause 9.6.1 may be exercised, the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 11.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.6.1.
- 9.6.3 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 9.6, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 9.6 by virtue of the conflict.
- 9.6.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 9.6, if a third party in connection with the occurrence of a Change of Control Event, De-listing Event or a Listing Failure Event offers to purchase the Bonds in the manner and on the terms set out in this Clause 9.6 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 9.6, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.
- 9.6.5 No repurchase of Bonds 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. **TRANSACTION SECURITY**

- 10.1.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Parent and the Issuer grants the Transaction Security to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents.
- 10.1.2 The Security Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents. The Issuer shall, and shall procure that each party to any Security Document will, enter into the Security Documents and perfect the Transaction Security in accordance with the Security Documents.

10.1.3 Unless and until the Security Agent has received instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the Security Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.

10.1.4 The Security Agent shall, on behalf of the Secured Parties, keep all certificates and other documents that are bearers of rights relating to the Transaction Security in safe custody.

## 11. INFORMATION TO BONDHOLDERS

### 11.1 Information from the Issuer

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

- (a) as soon as the same become available, but in any event within four (4) months after the end of each Financial Year, starting with the Financial Year ending on 31 December 2021, its audited consolidated financial statements for that Financial Year prepared in accordance with the Accounting Principles;
- (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its Financial Year, starting with the quarter ending on 30 June 2021, its unaudited consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) for such period prepared in accordance with the Accounting Principles; and
- (c) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Market Place on which the Bonds are admitted to trading.

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

11.1.3 The Issuer shall on the earlier of when the financial statements pursuant to paragraph (b) of Clause 11.1.1 (i) are made available, or (ii) should have been made available, submit to the Agent a compliance certificate (a "**Compliance Certificate**") containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it), and attaching copies of any notices sent to the Market Place on which the Bonds are admitted to trading. The Compliance Certificate shall include figures in respect of the Maintenance Covenant and the basis on which it has been calculated.

11.1.4 The Issuer shall provide a Compliance Certificate within twenty (20) calendar days following a request from the Agent containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it).

## 11.2 Information from the Agent

11.2.1 The Agent is entitled to disclose to the Bondholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 14.4 and 14.5).

## 11.3 Information among the Bondholders

Subject to applicable regulations, the Agent shall promptly upon request by a Bondholder forward by post any information from such Bondholder to the Bondholders which relates to the Bonds. The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

## 11.4 Availability of Finance Documents

11.4.1 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 the Agent.

11.4.2 The latest versions of the Finance Documents (including any document amending such Finance Documents) shall be available to the Bondholders at the office of the Agent during normal business hours.

## 12. FINANCIAL COVENANTS

### 12.1 Maintenance Covenant

12.1.1 The Issuer shall ensure that at all times:

- (a) the Equity Ratio shall not be less than 25 per cent; and
- (b) the Group Liquidity shall not be less than the lower of (i) an amount corresponding to interest on the Issuer's outstanding Market Loans during the following six (6) months (excluding Market Loans owed to a Group Company and assuming that the Interest Rate for the period from the relevant Test Date will be equal to the Interest Rate in effect on that Test Date) or (ii) SEK 30,000,000.

12.1.2 Subject to Clause 12.1.3, the Maintenance Covenant shall be tested on each Test Date on the basis of the most recently delivered financial statements. The first Test Date shall be 30 June 2021.

12.1.3 The first Test Date for the Interest Coverage Ratio shall be 30 September 2021. On the Test Date 30 June 2021, the Issuer shall be deemed to comply with paragraph (b) of Clause 12.1.1 only if sub-paragraph (ii) of paragraph (b) of Clause 12.1.1 is satisfied.

## 12.2 Calculation Adjustments

12.2.1 If there has been a write down or decrease in the book value of the Magnolia Holdings, provided that such write down or decrease is not a direct result of any dividend(s) or other distribution(s) from the Magnolia Holdings, the Issuer may for the calculation of the Maintenance Covenant choose to use the book value of such shares at the previous Test Date (the “**Adjusted Book Value**”).

12.2.2 If there is a change in the Accounting Principles, or a change in the interpretation of the Accounting Principles, after the First Issue Date, the Issuer may choose to continue calculating the Maintenance Covenant on the basis of the Accounting Principles as they were applied on the First Issue Date. Such choice is irrevocable and shall then apply on each following Test Date.

## 13. GENERAL UNDERTAKINGS

### 13.1 Disposals

(a) The Issuer shall not, and shall ensure that no other Group Company will, enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of all or a substantial part of the assets or operations of the Group to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction (i) is carried out on market terms and on terms and conditions customary for such transaction, (ii) does not have a Material Adverse Effect and (iii) no Event of Default is outstanding or will arise as a result of such disposal.

(b) Upon the occurrence of an Event of Default pursuant to Clause 14.1(a) (*Non-payment*) and for as long as it is continuing, the Issuer shall cooperate with the Agent to dispose of assets of the Group to enable the Issuer to make payments in respect of outstanding amounts payable by it under the Finance Documents and redeem the outstanding Bonds in full. For the avoidance of doubt, the above shall apply whether or not an acceleration of the Bonds or enforcement of any Transaction Security has been initiated by the Agent (on behalf of the Bondholders).

### 13.2 Market Loans

The Issuer shall not, and shall procure that no Group Company will, issue any Market Loans, unless such Market Loan is issued for the purpose of refinancing the Bonds in full.

### 13.3 Negative pledge

The Issuer shall not, and shall procure that no other Group Company will, provide, prolong or renew any Security over any of its assets (present or future) to secure any Financial Indebtedness, other than in respect of Permitted Debt.

#### 13.4 **Change of Business**

The Issuer shall:

- (a) procure that no substantial change is made to the general nature of the business of the Group taken as a whole from that carried on at the date of the Terms and Conditions (which, for the avoidance of doubt, primarily is to carry out Real Estate Related Investments); and
- (b) not actively take any action the direct effect of which would be that not less than 95% of the book value of the consolidated assets of the Group (less cash and cash equivalents and assets constituting deferred fees and charges relating to issuance of Bonds and incurrence of other external financial indebtedness of the Group from time to time) are Real Estate Related Investments.

#### 13.5 **Financial Indebtedness**

The Issuer shall not, and shall ensure that no Group Company will, incur any Financial Indebtedness, other than Permitted Debt.

#### 13.6 **Injection from a Parent Group Company upon an EHAB or Novedo Disposal**

The Issuer shall procure that, if a Parent Group Company, at one or several occasions after the Effective Date and up until 14 October 2026 or such earlier date as the Bonds are redeemed in full, sells, transfers or otherwise disposes of its shares in Esmaeilzadeh Holding AB and/or Novedo Holding AB (publ) where the aggregate net proceeds received in cash by such Parent Group Company from such transactions exceeds SEK 150,000,000 (excluding any such transfer made between Parent Group Companies) ("**EHAB or Novedo Disposal**"), any such amount exceeding SEK 150,000,000 from such EHAB or Novedo Disposal shall promptly be injected to the Issuer in the form of equity and/or Subordinated Loan.

#### 13.7 **EHAB Shares**

The Issuer shall no later than on the Effective Date, ensure that the EHAB Shares are contributed to the Issuer on a no cash basis by way of shareholders' contribution (Sw. *aktieägartillskott*) (including a sale against a promissory note or equivalent provided that such promissory note or equivalent is forgiven or contributed as equity to the Issuer promptly thereafter).

#### 13.8 **HAM Shares**

The Issuer shall no later than on the Effective Date, ensure that the HAM Shares are contributed to the Issuer on a no cash basis by way of shareholders' contribution (Sw. *aktieägartillskott*) (including a sale against a promissory note or equivalent provided that such promissory note or equivalent is forgiven or contributed as equity to the Issuer promptly thereafter).

### 13.9 Distributions

The Issuer shall not, and shall procure that no Group Company will, (i) pay any dividend on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay principal or pay interest under any Subordinated Loans or (v) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) ((i) to (v) each being a “**Restricted Payment**”), unless:

- (a) such Restricted Payment is made to a Group Company and if such Restricted Payment is made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, such Restricted Payment is made on a *pro rata* basis; or
- (b) immediately after such Restricted Payment, an amount not less than the amount of such Restricted Payment is (A) contributed to the Issuer in the form of an unconditional shareholders contribution (Sw. *ovillkorat aktieägartillskott*) or (B) provided as a Subordinated Loan,

provided in each case that such payment is permitted by law and that no Event of Default is continuing or would result from such payment.

### 13.10 Loans out

- (a) The Issuer shall not, and shall procure that no Group Company will, grant or extend any new loans to any other party, save for to other Group Companies, to associated entities (Sw. *intressebolag*) or entities which a member of the Group holds a minority stake (Sw. *minoritetsbolag*), unless such loans are made in the ordinary course of such Group Company's business or any vendor financing or deferred purchase price relating to any disposal permitted pursuant to Clause 13.1 (*Disposals*).
- (b) The Issuer shall not, and shall procure that no Group Company will, grant or extend any new loans (excluding capitalised interest on any such loans existing on the Effective Date) to associated entities (Sw. *intressebolag*) or entities which a member of the Group holds a minority stake (Sw. *minoritetsbolag*) unless such loan is:
  - (i) financed by new equity in the Issuer and/or Subordinated Loan(s);
  - (ii) made to Vincero Holdings and provided that the aggregate amount of loans granted after the Effective Date and not financed by new equity or Subordinated Loan(s) does not exceed SEK 35,000,000 (excluding capitalised interest) in aggregate at any time; or
  - (iii) a tenant owner association (Sw. *bostadsrättsförening*) owned by a Group Company.

### 13.11 Maintenance of Properties

The Issuer shall, and shall ensure that each other Group Company, keep its Properties in a good state of repair and maintenance, as will enable each Group Company owning a Property to comply in all material respects with the obligations under the relevant rental

agreements and in accordance with all applicable laws and regulations, if failure to do so would have a Material Adverse Effect.

**13.12 Insurance**

The Issuer shall, and shall procure that each other Group Company will, keep each Property insured to an extent which is customary for similar properties on the relevant geographical market with one or more reputable insurers. The insurance cover shall inter alia include full re-instatement value insurance.

**13.13 Mergers and demergers**

The Issuer shall not, and shall procure that no Group Company will, enter into any amalgamation, demerger, merger or reconstruction, unless one Group Company is the surviving entity, and further provided that any amalgamation, demerger, merger or reconstruction where the Issuer is not the surviving entity is not permitted.

**13.14 Dealings with third parties**

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

**13.15 Compliance with laws and regulations**

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations applicable from time to time, if failure to do so would result in a Material Adverse Effect.

**13.16 Pari passu ranking**

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

**13.17 Admission to trading**

The Issuer shall ensure that:

- (a) the Initial Bonds are admitted to listing on the corporate bonds list of Nasdaq Stockholm (or another Regulated Market) within twelve (12) months from the First Issue Date; and
- (b) upon the Existing Subsequent Bonds being issued:
  - (i) if the Initial Bonds are not admitted to listing on the corporate bonds list of Nasdaq Stockholm (or another Regulated Market), the Existing Subsequent Bonds are admitted to listing on the corporate bonds list of Nasdaq Stockholm (or another Regulated Market) within the earlier of (A) the date the Initial Bonds are admitted to listing on the corporate bonds list of Nasdaq Stockholm (or another Regulated Market) and (B) the date falling twelve (12) months from the First Issue Date; or

- (ii) if the Initial Bonds are admitted to listing on the corporate bonds list of Nasdaq Stockholm (or another Regulated Market), the volume of Bonds admitted to trading on the relevant Regulated Market promptly, and not later than twenty (20) Business Days (unless a shorter period is required by mandatory law) after the relevant issue date, is increased accordingly.

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

13.18.1 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.

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

### 13.19 **CSD related undertakings**

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

## 14. **ACCELERATION OF THE BONDS**

14.1 The Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 14.6, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

#### (a) **Non-payment**

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

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

#### (b) **Maintenance Covenant**

The requirement of Clause 12.1 (*Maintenance Covenant*) is not satisfied.

(c) **Other obligations**

The Issuer does not comply with any terms of or acts in violation of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) or (b) above), unless the non-compliance:

- (i) is capable of remedy; and
- (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

(d) **Invalidity**

Any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Bondholders.

(e) **Insolvency proceedings**

Any corporate action, legal proceedings or other procedure or step other than vexatious or frivolous and as disputed in good faith and discharged within sixty 60 Business Days is taken in relation to:

- (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) of any Group Company, other than a solvent liquidation or reorganisation of any Group Company other than the Issuer;
- (ii) a composition, compromise, assignment or arrangement with creditors of any Group Company generally, other than the Bondholders;
- (iii) the appointment of a liquidator (other than in respect of a solvent liquidation of a Group Company other than the Issuer), administrator or other similar officer in respect of any Group Company or any of its assets; or
- (iv) any step analogous to items (i)- (iii) above is taken in any jurisdiction in relation to any Group Company.

(f) **Insolvency**

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

(g) **Creditors' process**

Any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of a Group Company having an aggregate value of SEK 25,000,000 and is not discharged within forty-five (45) calendar days.

(h) **Cross payment 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), provided that no Event of Default will occur under this paragraph (h) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness referred to herein is less than SEK 25,000,000.

- 14.2 The Agent may not accelerate the Bonds in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 14.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice.
- 14.4 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to payments) up until the time stipulated in Clause 14.5 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 14.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- 14.6 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 14.7 If the right to accelerate the Bonds 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 any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 14.8 In the event of an acceleration of the Bonds in accordance with this Clause 14, the Issuer shall redeem all Bonds at an amount per Bond equal to the redemption amount specified in Clause 9.3 (*Voluntary total redemption*) as applicable considering when the acceleration occurs.

## 15. DISTRIBUTION OF PROCEEDS

15.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Acceleration of the Bonds*) 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 and the Finance Documents (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security, or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 18.2.5, and (iv) any costs and expenses incurred by the Agent that have not been reimbursed by the Issuer in accordance with Clause 16.4.11, 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 Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Bonds.

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

15.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1(a).

15.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security constitute escrow funds (redovisningsmedel) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.

15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least ten (10) Business Days before the payment is made. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Notwithstanding the

foregoing, for any Interest due but unpaid, the Record Date specified in Clause 7.1 shall apply.

## **16. DECISIONS BY BONDHOLDERS**

### **16.1 Request for a decision**

- 16.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 16.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 16.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.
- 16.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 16.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Bondholder(s) with the information available in the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 16.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 16.2 (*Convening of Bondholders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 16.3 (*Instigation of Written Procedure*). After a request from the Bondholders pursuant to Clause 18.4.3, 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 Bondholders' Meeting in accordance with Clause 16.2. The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication. The Issuing Agent shall provide the Issuer with the information available in the Debt Register in order to convene and hold

the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be.

16.1.7 Should the Issuer or any Bondholder(s) convene a Bondholders' Meeting or instigate a Written Procedure pursuant to Clause 16.1.5 or 16.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Bondholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

## 16.2 **Convening of Bondholders' Meeting**

16.2.1 The Agent shall convene a Bondholders' Meeting by way of notice to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

16.2.2 The notice pursuant to Clause 16.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

16.2.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.

16.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## 16.3 **Instigation of Written Procedure**

16.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

16.3.2 A communication pursuant to Clause 16.3.1 shall include (i) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (ii) 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 (iii) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 16.3.1). The reasons for, and contents of, each

proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. If the voting is to be made electronically, instructions for such voting shall be included in the communication.

- 16.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 16.3.1, when consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 16.4.2 and 16.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4.2 or 16.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

#### 16.4 **Majority, quorum and other provisions**

- 16.4.1 Only a Bondholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to act on behalf of a Bondholder*) from a Bondholder:

- (a) on the Business Day specified in the notice pursuant to Clause 16.2.2, in respect of a Bondholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 16.3.2, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the Adjusted Nominal Amount. Each whole Bond entitles to one vote and any fraction of a Bond voted for by a person shall be disregarded. 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.

- 16.4.2 The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:

- (a) the issue of any subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed the lower of (i) SEK 500,000,000 and (ii) the Outstanding Nominal Amount at any time (for the avoidance of doubt, for which consent shall be required at each occasion such subsequent Bonds are issued);
- (b) any decision to waive a breach of or amend an undertaking set out under Clause 13 (*General undertakings*);
- (c) a change to the terms of any of Clause 2.1 or Clauses 2.5 to 2.7;
- (d) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of proceeds*);

- (e) a release of the Transaction Security, except in accordance with the terms of the Security Documents;
  - (f) any mandatory exchange of Bonds for other securities;
  - (g) any decision to reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
  - (h) any decision to amend any payment day for principal or interest amount or to waive any breach of a payment undertaking; and
  - (i) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16.4 (*Majority, quorum and other provisions*).
- 16.4.3 Any matter not covered by Clause 16.4.2 shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. 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 17.1(a) or (c)), an acceleration of the Bonds or the enforcement of any Transaction Security.
- 16.4.4 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 16.2.4 (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 16.4.6 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this Clause 16.4.6, the date of request of the second Bondholders' Meeting pursuant to Clause 16.2.1 or second Written Procedure pursuant to Clause 16.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.4.4 shall not apply to such second Bondholders' Meeting or Written Procedure.

- 16.4.7 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.
- 16.4.8 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such person is a Bondholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.4.10 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Bondholders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.12 If a decision is to be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such person is a Bondholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Bond is owned by a Group Company or an Affiliate.
- 16.4.13 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly 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 Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **17. AMENDMENTS AND WAIVERS**

- 17.1 The Issuer and the Agent and/or the Security Agent (as applicable) (acting on behalf of the Bondholders) may agree in writing to amend and waive any provision in a Finance Document or any other document relating to the Bonds, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Bondholders as a group;
  - (b) is made solely for the purpose of rectifying obvious errors and mistakes;

- (c) is required by any applicable regulation, a court ruling or a decision by a relevant authority; or
  - (d) has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders.
- 17.2 Any amendments to the Finance Documents shall be made available in the manner stipulated in Clause 11.3 (*Availability 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. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to Clause 17.1(a) or (c), in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.
- 17.3 An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **18. THE AGENT AND THE SECURITY AGENT**

### **18.1 Appointment of the Agent and the Security Agent**

- 18.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent and the Security Agent to act as its agent and security agent (as applicable) in all matters relating to the Bonds and the Finance Documents, and authorises each of the Agent and the Security Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security, including the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 18.1.2 Each Bondholder shall immediately upon request provide the Agent and/or the Security Agent (as applicable) with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent and/or the Security Agent (as applicable)), that the Agent and/or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.
- 18.1.3 The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 18.1.4 Each of the Agent and the Security Agent is entitled to fees for all its work in such capacity 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 and the Security Agent's

respective obligations as Agent and Security Agent (as applicable) under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

18.1.5 Each of the Agent and the Security 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.

## 18.2 **Duties of the Agent and the Security Agent**

18.2.1 Each of the Agent and the Security Agent shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents. on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. Neither the Agent nor the Security Agent is responsible for the content, valid execution, legal validity or enforceability of the Finance Documents or the perfection of the Transaction Security.

18.2.2 When acting pursuant to the Finance Documents, Each of the Agent and the Security Agent is always acting with binding effect on behalf of the Bondholders. Each of the Agent and the Security Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent or the Security Agent (as applicable) does not bind the Bondholders or the Issuer.

18.2.3 When acting pursuant to the Finance Documents, Each of the Agent and the Security Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.

18.2.4 Each of the Agent and the Security Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group 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.

18.2.5 Each of the Agent and the Security Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer. Each of the Agent and the Security Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.

18.2.6 The Issuer shall on demand by the Agent and/or the Security Agent (as applicable) pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer, the Transaction Security or the Finance Documents which the Agent and/or the Security Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents, and (iii) in connection with any Bondholders' Meeting or Written Procedure, or (iv) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents. Any compensation for damages or other recoveries received by the Agent and/or the Security 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 15 (*Distribution of proceeds*).

- 18.2.7 Each of the Agent and the Security Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent and/or the Security Agent, as may be necessary in order for the Agent and/or the Security Agent (as applicable) to carry out its duties under the Finance Documents.
- 18.2.8 Other than as specifically set out in the Finance Documents, neither the Agent nor the Security Agent shall be obliged to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iii) whether any other event specified in any Finance Document has occurred. Should the Agent and/or the Security Agent not receive such information, the Agent and/or the Security Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent and/or the Security Agent does not have actual knowledge of such event or circumstance.
- 18.2.9 The Agent shall (i) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Clause 11.1.3 and as otherwise agreed between the Issuer and the Agent, (ii) check that the information in the Compliance Certificate is correctly extracted from the financial statements delivered pursuant to Clause 11.1.1(a) - (b) or other relevant documents supplied together with the Compliance Certificate, and (iii) verify that the Issuer according to its reporting in the Compliance Certificate meets the relevant financial covenant(s) or tests. The Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 18.2.9.
- 18.2.10 The Agent and/or the Security Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent and the Security Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent and the Security Agent with such documents and evidence as the Agent and/or the Security Agent reasonably considers necessary for the purpose of being able to comply with this Clause 18.2.10. Other than as set out above, the Agent and the Security Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent and the Security Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 18.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 18.2.12 If in the Agent's and/or the Security Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent and the Security Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent and/or the Security 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.
- 18.2.13 Each of the Agent and the Security shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-

payment by the Issuer of any fee or indemnity due to the Agent or the Security Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 18.2.12.

### **18.3 Liability for the Agent and the Security Agent**

18.3.1 Neither the Agent nor the Security Agent will be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. Neither the Agent nor the Security Agent shall be responsible for indirect or consequential loss.

18.3.2 Neither the Agent nor the Security Agent shall be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or the Security Agent, or if the Agent or the Security Agent has acted with reasonable care in a situation when the Agent or the Security Agent (as applicable) considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.

18.3.3 Neither the Agent nor the Security Agent shall be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent and/or the Security Agent to the Bondholders, provided that the Agent and/or the Security 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 and/or the Security Agent for that purpose.

18.3.4 Neither the Agent nor the Security Agent shall have any liability to the Issuer or the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.

18.3.5 Any liability towards the Issuer which is incurred by the Agent and/or the Security Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

### **18.4 Replacement of the Agent and the Security Agent**

18.4.1 Subject to Clause 18.4.6, each of the Agent and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent and/or successor Security Agent at a Bondholders' Meeting convened by the retiring Agent and/or retiring Security Agent or by way of Written Procedure initiated by the retiring Agent and/or retiring Security Agent.

18.4.2 Subject to Clause 18.4.6, if the Agent and/or the Security Agent is Insolvent, the Agent and/or the Security Agent shall be deemed to resign as Agent and/or Security Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent and/or successor Security Agent which shall be an independent financial institution or other reputable company which regularly acts as agent and/or security agent under debt issuances.

18.4.3 A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for

the purpose of dismissing the Agent and appointing a new Agent and/or new Security Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent and/or Security Agent be dismissed and a new Agent and/or new Security Agent appointed.

- 18.4.4 If the Bondholders have not appointed a successor Agent and/or successor Security 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 and/or the Security Agent was dismissed through a decision by the Bondholders, the Issuer shall within thirty (30) days thereafter appoint a successor Agent and/or successor Security agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent and/or security agent in respect of Market Loans.
- 18.4.5 The retiring Agent and/or retiring Security Agent shall, at its own cost, make available to the successor Agent and/or successor Security Agent such documents and records and provide such assistance as the successor Agent and/or successor Security Agent may reasonably request for the purposes of performing its functions as Agent and/or Security Agent under the Finance Documents.
- 18.4.6 The Agent's and/or Security Agent's resignation or dismissal shall only take effect upon the earlier of (i) the appointment of a successor Agent and/or successor Security Agent and acceptance by such successor Agent and/or successor Security Agent (as applicable) of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent and/or retiring Security Agent (as applicable), and (ii) the period pursuant to Clause 18.4.4 (ii) having lapsed.
- 18.4.7 Upon the appointment of a successor, the retiring Agent and/or retiring Security 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 and/or Security Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent and/or original Security agent.
- 18.4.8 In the event that there is a change of the Agent and/or the Security Agent in accordance with this Clause 18.4, the Issuer shall execute such documents and take such actions as the new Agent and/or new Security Agent may reasonably require for the purpose of vesting in such new Agent and/or new Security Agent the rights, powers and obligation of the Agent and/or the Security Agent and releasing the retiring Agent and/or retiring Security Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent and/or Security Agent agree otherwise, the new Agent and/or new Security Agent shall be entitled to the same fees and the same indemnities as the retiring Agent and/or retiring Security Agent (as applicable).

## **19. THE ISSUING AGENT**

- 19.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.

19.2 The Issuer shall ensure that the Issuing Agent enters 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 relating to the Bonds.

19.3 The Issuing Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

## **20. THE CSD**

20.1 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 Bonds.

20.2 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 Bondholder or the admission to trading of the Bonds on the relevant Market Place. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

## **21. NO DIRECT ACTIONS BY BONDHOLDERS**

21.1 A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security 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 or bankruptcy in any jurisdiction of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.

21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 18.1.2), 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 of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 18.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.13 before a Bondholder may take any action referred to in Clause 21.1.

21.3 The provisions of Clause 21.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.6 (*Mandatory repurchase (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## **22. PRESCRIPTION**

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

## **23. COMMUNICATIONS AND PRESS RELEASES**

### **23.1 Communications**

- 23.1.1 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 (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the 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 the email address notified by the Issuer to the Agent from time to time; and
  - (c) if to the Bondholders, shall be given at their addresses registered with the CSD on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Bondholders. A Notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- 23.1.2 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 23.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1, or, in case of email, when received in readable form by the email recipient.
- 23.1.3 Any notice or other communication pursuant to the Finance Documents shall be in English. However, financial reports published pursuant to Clause 11.1.1(a) and (b) may be in Swedish.

23.1.4 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## 23.2 Press releases

23.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption*), 9.4 (*Mandatory Partial Redemption*), 9.5 (*Early redemption due to illegality and repurchase due to a tax event (call option)*), 9.6 (*Mandatory repurchase (put option)*), 11.1.2, 14.3, 16.2.1, 16.3.1, 16.4.13 and 17.2 shall also be published by way of press release by the Issuer.

23.2.2 In addition to Clause 23.2.1, if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

## 24. FORCE MAJEURE

24.1 Neither the Agent, the Security 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, the Security Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

24.2 Should a Force Majeure Event arise which prevents the Agent, the Security 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.

24.3 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## 25. GOVERNING LAW AND JURISDICTION

25.1 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.

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

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

Place: Stockholm

Date: 7 April 2021

**HOLMSTRÖM FASTIGHETER HOLDING AB (PUBL)**

as Issuer

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

\_\_\_\_\_

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

Place: Stockholm

Date: 7 April 2021

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

as Agent and Security Agent

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

**SCHEDULE 1****CONDITIONS PRECEDENT****Part I****Conditions Precedent relating to Initial Bonds****1. Corporate Documents**

- (a) A copy of the constitutional documents of the Issuer.
- (b) A copy of a resolution of the board of directors of the Issuer:
  - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it shall execute, deliver and perform the Finance Documents to which it is a party;
  - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
  - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (c) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents and related documents.
- (d) A certificate of an authorised signatory of the Issuer certifying that each copy document relating to it specified in this Part I of Schedule 1 is correct, complete and in full force and effect.
- (e) An agreed form of Compliance Certificate.
- (f) A Compliance Certificate from the Issuer certifying that the Maintenance Covenant is fulfilled on the First Issue Date (calculated *pro forma* on the basis of an opening balance sheet of the Group as per the First Issue Date) and that no Event of Default is continuing or would result from the Initial Bond Issue.

**2. Agreements**

The following documents duly executed by all the parties thereto:

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

## SCHEDULE 2

### FORM OF COMPLIANCE CERTIFICATE

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

Dear Sirs,

**Holmström Fastigheter Holding AB (publ) – Terms and conditions for Holmström Fastigheter Holding AB (publ) with respect to the senior secured floating rate bonds 2021/2026 (the "Terms and Conditions")**

- (1) We refer to the Terms and Conditions. This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.
- (2) [We confirm that on the Test Date *[date]*:
- (a) the Equity Ratio was [●]%; and
  - (b) the Interest Coverage Ratio was [●]:1] **OR** [the Group Liquidity was not less than an amount corresponding to interest on the Issuer's outstanding Market Loans during the following nine (9) months (excluding Market Loans owed to a Group Company and assuming that the Interest Rate for the period from the relevant Test Date will be equal to the Interest Rate in effect on that Test Date).]<sup>1</sup>
- (3) [We confirm that on the Test Date 31 December *[year]*, not less than 95% of the book value of the consolidated assets of the Group (less cash and cash equivalents and assets constituting deferred fees and charges relating to issuance of Bonds and incurrence of other external financial indebtedness of the Group from time to time) are Real Estate Related Investments.]<sup>2</sup>
- (4) [We set out below calculations establishing the figures in paragraph (2):
- [●]<sup>3</sup>
- (5) 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.*]
- (6) Attached hereto you will find copies of any notices sent to the Regulated Market.

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<sup>1</sup> Only to be included in respect of the Maintenance Covenant.

<sup>2</sup> Only to be included in respect of the Maintenance Covenant on the Test Date 31 December.

<sup>3</sup> Only to be included in respect of the Maintenance Covenant.

**HOLMSTRÖM FASTIGHETER HOLDING AB (PUBL)**

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# **RISK FACTORS**

*Schedule 4*

## RISK FACTORS

*This section features risk factors that are specific to Holmström Fastigheter Holding AB (publ) (the “Company” or the “Issuer”) and the up to SEK 750,000,000 senior secured floating rate bonds (the “Bonds”) and the contemplated written procedure for the Bonds (the “Written Procedure”). The Company and its subsidiaries (Sw. dotterbolag) from time to time are hereinafter collectively referred to as the “Group”, and each a “Group Company”. F. Holmström Fastigheter AB (the “Shareholder”) and the Group is hereinafter referred to as the “Shareholder Group”. Vincero Fastigheter 5 AB and its subsidiaries from time to time are hereinafter collectively referred to as the “Vincero Group”. F. Holmströmgruppen AB is hereinafter referred to as the “Ultimate Parent”. Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the terms and conditions of the Bonds to be entered into by the Issuer and the Agent, originally dated 7 April 2021 (the “Terms and Conditions”).*

*The purpose of this section is to enable holders of the Bonds (“Bondholders”) to assess the relevant risks related to the Bonds in order to make an informed investment decision. Each of the risk factors set forth below are therefore limited to risks that, in the meaning of Regulation (EU) 2017/1129, are material and specific to the Company, the Group or the Bonds.*

*The manner in which the Group or the Bonds are affected by each risk factor is illustrated by way of an evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated “low”, “medium” or “high” and the magnitude of negative if it would occur as “low”, “medium” or “high”. Irrespective of the probability or magnitude of negative impact is stated in relation to each risk factor, all risk factors included below have been assessed by the Company to be material and specific to the Company and the Bonds in the meaning of Regulation (EU) 2017/1129.*

*The risk factors are organised in several categories and the most material risk factor in a category is presented first under that category, whereas subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where 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, the evaluation of their materiality based on the probability of them occurring and the expected magnitude of their negative impact as well as their categorisation have been produced and assessed in accordance with the best estimates of the management and the board of directors of the Issuer and the Group.*

**PLEASE NOTE THAT ONLY A LIMITED LEGAL DUE DILIGENCE HAS BEEN CARRIED OUT BY WAY OF A LEGAL QUESTIONNAIRE BY THE MANAGEMENT OF THE ISSUER AND A LIMITED DOCUMENTARY DUE DILIGENCE. NO FINANCIAL, INSURANCE OR TAX DUE DILIGENCE HAS BEEN CONDUCTED. THUS, THERE MAY BE RISKS RELATING TO THE GROUP AND ITS BUSINESS WHICH HAVE NOT BEEN DISCLOSED IN THE LIMITED LEGAL DUE DILIGENCE AND WHICH ARE CONSEQUENTLY NOT DISCLOSED IN THIS DOCUMENT.**

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

#### Dependence on subsidiaries

The Company is a holding company and the Group’s operations are run through its direct and indirect subsidiaries. The Company holds no significant assets other than ownership of subsidiaries and

receivables at subsidiaries. The Company's ability to make payments of interest on its debt and funding is, therefore, affected by the ability of its subsidiaries, associated companies and joint ventures to transfer available funds to it, and hence the Company is dependent on its subsidiaries and holdings in associated companies and joint ventures to fulfil its obligations under the Bonds. The transfer of funds to the Company from its subsidiaries may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiary, associated company or joint venture, including the relevant such companies' financing arrangements. Furthermore, the Group companies are legally separate entities and distinct from the Company and have no obligation to fulfil the Company's obligations vis-à-vis its creditors. If the subsidiaries, associated companies and/or joint ventures do not provide liquidity, or due to other circumstances, conditions, laws, or regulations are prevented from providing liquidity to the Company, there is a risk that the Company will not be able to fulfil its obligations under the Bonds.

The Company considers that the probability of the above risks occurring to be medium. If the risks would materialise, the Company considers the potential negative impact to be high.

#### Structural subordination

As mentioned above, the Group's operations are run through the Company's direct and indirect subsidiaries. The subsidiaries are legally separated from the Company and the subsidiaries' ability to make payments to the Company is restricted by, among other things, the availability of funds, corporate and tax restrictions, value transfer restrictions, restrictions in shareholders' agreements and the terms of each entity's finance agreements. Further, the Group have, as part of its financing, incurred debts to credit institutions and other lenders and intend to continue seeking financing. Security and/or guarantees has been provided for all of the Group's interest-bearing debt.

In the event of insolvency, liquidation or a similar event relating to one or several of the Company's subsidiaries, associated companies or joint ventures, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Company, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the Company's subsidiaries. Defaults by, or the insolvency of, certain subsidiaries may result in the obligation for the Company to make payments under financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group. There is a risk that the Company and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise. Any of the risks described above may adversely affect the Company's ability to make payments under the Bonds.

The Company considers the probability of the risk occurring to be medium. If the risk were to occur, the Company considers the potential negative impact to be high.

### **RISKS RELATING TO MARCOECONOMICAL CONDITIONS**

#### Macroeconomic factors

The Group's business is affected by macroeconomic factors such as the general state of the economy, national and regional economic developments, the developments in employment rate, production of new residential housing and other premises, infrastructural development, population growth, demographic developments, inflation and interest rates. If the progress of one or more of these factors were to be detrimental, it could have a material adverse effect on the business and/or financial condition of the Group, its customers and other business partners.

The Group currently operates mainly within the regions of Stockholm, Nynäshamn and Örnsköldsvik, and is consequently exposed to the regional economic development in these geographical markets.

The Group may also expand to other regions, in which case it will be exposed to the regional economic development in these geographical markets. For example, the local economic growth affects the developments in employment rate and salaries as well as the demand on the relevant rental market, which in turn affect the vacancy rates and rental levels. A decreased demand in the current market may result in difficulties in finding tenants and, as a result, lower revenues for the Group. In addition, the Group is exposed to risks relating to criminal activities affecting the regions in which the Group operates its business in. Recently, there was an explosion on one of the Group's properties in Åkersberga, greater Stockholm. Criminal activities nearby or otherwise affecting the Group's properties may have an adverse effect on the Group's liquidity, the value of the Group's properties and the Group's cash flow.

Inflation expectations have an impact on interest rates, which consequently affects the Group's result from property management as interest expenses are a large cost of the Group. For the effects on the Group from interest rate changes, see further risk factor "*Interest rate risks*" below. Changes, and expectations on changes, in the inflation rate could impact yield requirements on properties and, consequently, the value of the Group's properties, which in turn could cause various negative effects (see risk factor "*Changes to the value of the Groups properties*" above).

The Company considers the probability of macroeconomic factors that may have a material adverse effect on the Group's operations, results and financial position occurring to be high. The negative effect of such factors depends on the nature of the relevant macroeconomic factor and its severity and the Company's ability to make payments under the Bonds could be adversely affected. For instance, the potential negative impact from increased market interest rates (see risk factor "*Interest expense risk*" below) or deteriorated access to financing (see risk factor "*Financing and liquidity risks*" below) is considered to be high and the potential negative impact demographic changes is considered to be high.

## **RISKS RELATING TO THE GROUP'S BUSINESS OPERATIONS**

### Collaboration with joint venture partners and other partners

The Group collaborates with Vincero Fastigheter AB in a joint venture partnership for ownership and management of properties, developing the properties and carrying out property development projects. The Vincero Group ("**Vincero**"), of which the Group owns 50 per cent. of the shares, owns, manages, and develops properties in greater Stockholm and Uppsala, on which the general intention is to have a running income and to develop building rights for housing and other premises. Some of the risks of the business of the Vincero Group consist of market related risks and failing in its zoning plan operations and not obtaining building rights for housing and other premises. The Vincero Group is itself also exposed to all risks mentioned or implied in these risk factors.

The joint venture partnership with Vincero is considered material for the Group. If the Vincero Group would not be successful in obtaining building rights on its properties pursuant to its zoning plan operations, or in any other way have a negative development in its business, financial performance or financial position (including but not limited to if the Vincero Group would make losses, have a deterioration in its equity ratio or cash position), it could have a material adverse effect on the Vincero Group's business and financial position, which in turn adversely affects the Group's financial position and the Company's ability to fulfil its payment obligations under the Bonds.

The Group also collaborates with, among others, Areim AB ("**Areim**") in respect of the Group's holding of 20 per cent. of the ownership of the Ankarhagen property portfolio (the "**Ankarhagen**"). Ariem controls 20 per cent of the shares and the founder (including family) holds the remaining 60 per cent

of the shares. Ankarhagen owns, manages and develops commercial properties within warehousing and industry in regions in central Sweden.

The Group may collaborate with other partners in the future. The Group is dependent on finding suitable partners in order to initiate and enter a joint venture partnership. If one or more of the existing collaborations no longer is progressing in a positive direction, it could lead to disputes and the dissolution of joint ventures as well as their assets being sold off on unfavourable terms.

Furthermore, joint ventures inherently lead to reduced flexibility in managing the business, including with regard to investments in or sales of properties or adopting the measures the Group considers most advantageous. There is also a risk that the joint venture partnership agreement prohibits the Group from exiting the joint venture partnership at an acceptable price or on advantageous terms, or that the partners in the joint ventures are subject to changes in control that may affect their ability to continue the joint venture partnership.

If one or several of these risks would materialise, it could have a material adverse effect on the Group's earnings and financial condition and the Company's ability to fulfil its payment obligations under the Bonds.

The Company considers that the probability of the above risks occurring is high. If the risks would materialise, the Company considers the potential negative impact to be high.

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

The value of the Group's properties is reported at fair value (Sw. *verkligt värde*) and changes in value are described in the income statement during which the revaluation of the Group's properties occurs. Property specific factors, such as lower rental levels, higher vacancy rates and higher property expenditures (see risk factors "*Rental levels and rental development*" and "*Property costs*" below), as well as market specific factors, such as interest rates (see risk factor "*Interest expense risks*" below) and higher yield demands (even if these changes are small) (see risk factor "*Macroeconomic factors*" above),-reduced prices per square meter, may lead to a decrease in value of the Group's properties. Decreases in the value of the Group's properties could thus have a material adverse effect on the Group's financial condition and results of operations and the Company's ability to make payments under the Bonds could be adversely affected.

Valuations are made on an annual basis by external valuers, while internal valuations may be made in the interim. The valuations are based, among other things, on a number of assumptions and are therefore subjective. There is, therefore, a risk that the valuations have been based on assumptions, subjective or not, that are inaccurate, which may result in an incorrect reflection of the value of the Group's property portfolio and thus the Group's financial position. Further, various factors may cause the Group to write down the fair value of its properties, which may negatively affect the Group's operations and financial position. Furthermore, the valuation frequency and coverage may alter from time to time which could lead to the value becoming more difficult to assess for investors, a financing counterparty or any third party interested in the valuation of the Group's properties.

Given that a substantial part of the Group's accounted assets consist of properties, a decrease in value, causing the Group to write down their value, could lead to a number of negative consequential effects for the Group which could affect the Group's business, results and financial position, such as a breach of covenants under the relevant loan agreements of the Group from time to time could occur, which in turn could result in the loans under such loan agreements being accelerated prior to maturity and consequently affecting the liquidity of the Group. A material decrease of the market value of the Group's properties would also have a negative impact on the Group's possibilities to dispose of its

properties without incurring losses, which in turn may negatively affect the Group's financial position and results and the Company's ability to make payments under the Bonds.

The Company considers the probability of any of the risks occurring to be high. As valuation decreases could have a significant effect on the Group's financial position, the Company considers the potential negative impact of any of the risks to be high.

#### Variations in supply and demand on the residential market and the market for commercial premises

The Group's income is affected by the occupancy rate of the properties, the possibility of charging market-related rents, or rent according to the legal principle of "utility value" (Sw. *Bruksvärdesprincipen*), as well as customers' ability to pay rents. The occupancy rate and rental levels are largely determined by general and regional economic trends and the rental levels are in addition affected by applicable rent regulations (see risk factor "*Rental regulations may restrict the Group's ability to increase rents*" below).

The residential market is sensitive to fluctuations in supply and demand. The value of properties and rental levels are affected by a number of factors, including events related to domestic and international politics, interest rates, inflation, economic growth, the availability of credit and taxation. Changes in supply and demand on the property market in specific areas where the Group is present, resulting from new construction, investor supply and demand and other factors, may also materially affect the values of properties regardless of the overall development in these residential and property markets. A decrease in the prices of apartments and commercial properties is likely to have a direct negative impact on the fair value of the Group's property portfolio.

An oversupply of rental housing or commercial premises or a decrease in tenant demand for such housing or commercial premises could lead to rent decreases, which could have an adverse effect on the Group's rental income and the Company's ability to make payments under the Bonds.

The Company considers that the probability of the above risks occurring is high. If the risks would materialise, the Company considers the potential negative impact to be high.

#### Rental levels and rental development

The Group's financial position and results are dependent on rental income, which in turn are affected by, inter alia, the supply and demand on the market and the level of the market rental rates, the level of rents according to the legal principle of "utility value" (Sw. *Bruksvärdesprincipen*), from tenants on its properties. The Group's financial position and results will, thus, be negatively affected by vacancies in the properties and contracted rental levels. Decreased occupancy rates and rental rates will, regardless of reason, adversely affect the Group's revenues. The companies within the Group owned as per the financial quarter ended 31 December 2023, 25 properties, with approximately 451 tenants (for apartments and premises, disregarding e.g. parking) and had rental revenues of approximately SEK 48,000,000 during 2023. Accordingly, if the Group's tenants do not renew or extend their lease agreements upon expiry, if they default, or if the contracted rental levels are reduced, the Group's revenues and cash flow and the Company's ability to make payments under the Bonds could be adversely affected. If the Group fails to achieve and maintain planned occupancy rates on their properties it could have a material negative impact on the Group's earnings and could have an adverse effect of the Company's ability to make payments under the Bonds.

The Company considers the probability of all its apartments and premises to become vacant to be low. If the risk were to occur, the Company considers the potential negative impact to be high.

The Group is also dependent on its tenants paying their rent on time and in case the tenants would pay their rents as they fall due (or do not pay at all), or otherwise fail to fulfil their obligations, this could have a material negative impact on the Group's earnings and the value of its receivables and the Company's ability to make payments under the Bonds could be adversely affected. The Group owns and plans to own housing properties, which also includes commercial premises located within such properties, as well as community services properties and commercial properties. Furthermore, as the Group's tenant base is limited to certain sectors and geographical areas, the Group is particularly susceptible to the supply and demand in such sectors and areas. For instance, there is a negative trend in relation to commercial property leases in the retail trade sector, as the vacancy rates have increased due to the closing of shops in main cities and urban areas. The Company considers the probability of the risks above occurring to be high. If the risk were to occur, the Company considers the potential negative impact to be high.

In relation to the Group's tenants within the community service properties sector, tenants' operations are often directly or indirectly financed by taxes. For such public sector tenants, the rental income and vacancy rates are dependent on, *inter alia*, municipal budgets and the development of the local public sector. Should such budgets change, which may be due to, *inter alia*, political decisions or lack of public resources, it could negatively affect the demand for community purpose properties. The Company considers the probability of the risks above occurring to be medium. If the risk were to occur, the Company considers the potential negative impact to be high.

#### Operating costs

The Group has limited control over its operating costs relating to for instance heating, water, maintenance and insurance. The companies within the Group had in 2023 operating costs of approximately SEK 25,000,000.

Increases in such costs could have a material negative impact on the Group's incomes and results and the Company's ability to make payments under the Bonds could be adversely affected (see also risk factor "*Changes to the value of the Group's properties*" above).

The Company considers the probability of an increase in the relative operating costs (*i.e.* without taking into account a larger property portfolio and an altered product mix) to be high. If the risk were to occur, the Company considers the potential negative impact to be high.

#### Decreases in the occupancy rate and increases in the tenant turnover

Tenant turnover is an integral part of the property investment business, and results in costs to the Group, for example, related to the signing of rental agreements and renovations typically made in connection with a tenant moving out of or a tenant moving in an apartment or premises.

The Group's occupancy rate and tenant turnover depend to a great extent on general economic and demographic factors and the level of new build construction activity. The occupancy rate of the Group's properties has a significant impact on the Group's cash flow and if the vacancy rate increases, the Group will lose rental income while having to cover the maintenance costs which could have a material adverse effect on the Group's margins as well as the fair value of its properties and the Company's ability to make payments under the Bonds could be adversely affected.

The Company considers that the probability of the above risks occurring is high. If the risks would materialise, the Company considers the potential negative impact to be high.

#### Refurbishments and maintenance

The Group carries out refurbishment and maintenance repairs in its properties, which may result from their condition and requirements for energy efficiency. Residential buildings must typically have their plumbing refurbished within certain time intervals, which usually covers renewal of both water and sewage pipes as well as new bathrooms and kitchens. Increases in refurbishment and maintenance repair costs may arise, for example, from increasing legal requirements for energy-efficiency, and therefore, there is a risk that the amount spent on refurbishment and maintenance repair by the Group may significantly increase from the level currently expected by the Group and thus have an adverse effect on the Company's results of operation and the Company's ability to make payments under the Bonds could be adversely affected.

If refurbishment and maintenance costs were to increase, the profit margin of the Group's properties may decrease or the Group may be required to increase rents, which may, in turn, result in a decreased demand for the Group's properties. As a result, the Group may not be able to fully pass on the costs of refurbishment and maintenance to its customers and the Group's investments in refurbishment and maintenance may not generate the expected return. Any of these risks could have a material adverse effect on the Group's results of operations and the value of its properties and the Company's ability to make payments under the Bonds could be adversely affected.

The Company considers the probability of an increase in the refurbishment and maintenance costs to be high. If the risk were to occur, the Company considers the potential negative impact to be high.

#### Property development project risks

The Group currently engages and may in the future engage in property development projects. The possibility of implementing property development projects with financial profitability depends upon the projects coming into production and being completed, which in turn depends on several factors, such as the ability to retain and recruit necessary expertise within, *inter alia*, construction, project planning, architecture, and marketing, as well as to obtain necessary permits and authority approvals and procuring contracts for project implementation on acceptable terms. Furthermore, property development projects are dependent on a continuous supply and financing of new projects on acceptable terms, and that the project is being tailored to adequately respond to market demands. The possibility to implement profitable property development projects is further affected by factors such as changes in the market demand of housing and premises and the price of properties in general, inadequate planning, analysis or cost control, cost overruns, environmental costs, changes in taxes and fees and other factors that could lead to unexpected costs for the projects, to lower than expected profitability of the project and/or adverse effects on the value of the project properties. In addition, delays in projects may decrease profitability and render a breach under relevant financing agreements.

If one or many of these risks would materialise it could have a material adverse effect on the financial position of the Group and the Company's ability to fulfil its obligations under the Bonds.

The Company considers the probability of any of the abovementioned risks occurring to be high. If the risk were to occur, the Company considers the potential negative impact to be high.

#### Risks related to the Group's agreements

The Group has entered into various agreements for the purposes of conducting its business and operations. Negotiation processes regarding vacant premises occur continuously, negotiations with tenant associations often take place annually. Of the Group's lease agreements, there are some leases that are considered material, including some of those concerning the Group's community service properties (mainly preschools) due to that they have a large rental value, a stable tenant and/or a long lease duration. If the Group's tenants do not renew or extend these lease agreements upon expiry, or

if the contracted rental levels are reduced or if the tenants do not fulfil their obligations under the lease agreements, the Group's revenues and cash flow and property values and the Company's ability to make payments under the Bonds could be adversely affected.

Further, the Group's loan agreements with external lenders are considered material. If a company within the Group being an obligor under such loan agreement does not fulfil its obligations, which in turn may lead to breaches of the Group's financial covenants or obligations under such loan agreements, it could, amongst other things, reduce the Group's ability to obtain financing (see risk factor "*Dependence on available financing alternatives*" below) and have several other negative consequences for the Group and its property portfolio as well as have a subsequent impact on the Group's cash flow, turnover and financial position. Furthermore, a breach of the terms of the loan agreement would prevent the relevant subsidiaries from up-streaming funds to the Company which, in turn, could lead to the Company not being able to fulfil its obligations under the Bonds. Breaches of the Group's financial covenants or obligations under such abovementioned loan agreements may also have the effect that the lender accelerates on its security which could adversely affect the Company's ability to make payments under the Bonds.

Moreover, the Company's asset management agreement with its owner F. Holmström Fastigheter AB, pursuant to which the latter manages the assets of the Group, is considered material. If such agreement were to be terminated, it could have a material adverse impact on the Group and the Company's ability to make payments under the Bonds could be adversely affected.

The Company considers the probability of any of the abovementioned risks occurring to be high. If the risk were to occur, the Company considers the potential negative impact to be high.

#### Risks related to acquisitions, disposals and other transaction-related risks

The Company's operations involve property transactions and may, subject to the Terms and Conditions, involve in transactions of other types of assets. In June 2023, the Group entered into an agreement to divest its entire holding in Magnolia Bostad AB (publ)'s holding company HAM Nordic AB to Areim (the "**HAM Shares**"). The divestment process is subject to certain conditions that the Group sells its shares in two instalments. In connection with the first instalment, the Group received a first purchase price of approximately SEK 111,000,000 and completion and payment of the second instalment for the Group's remaining shares in HAM Nordic AB will, to Areim securing further financing, bring in an additional amount of up to approximately SEK 177,000,000 to the Group. Should Areim not be able to secure further financing, the amount of the second instalment would be approximately SEK 89,000,000. Further, the Group is in the process of converting two properties located in Åkersberga and Nynäshamn into housing associations by way of divestment. In addition, the Group may from time to time enter into acquisition agreements concerning acquisitions of property companies and/or properties.

Transactions are associated with risks and uncertainties, including but not limited to price and the ability to find a market for the rental properties, community service properties or tenant-owned apartments or other properties. For example, under a share purchase agreement entered into between the Group and the purchaser of a rental property, the purchaser may be entitled to compensation equivalent to the difference between the predetermined rental level and the lower average price for which the purchaser can actually rent out the property. Further, the acquisition of a real estate asset (or other assets) requires, among other things, an analysis that is subject to wide variety of factors, including subjective assessments and assumptions as to current and future prospect. There is a risk that the Group may overestimate the potential of a real estate asset when making acquisition decisions or may base its decision on inaccurate information or assumptions that turn out to be incorrect. The Group may also underestimate the likelihood that a newly acquired real estate

asset will require substantial renovation or capital repairs. Such errors may only become apparent at a later stage and force the Group to recognise fair value losses on its statement of financial position and income statement. Furthermore, the due diligence performed by the Group when acquiring a real estate asset (or other assets) may not be adequate and may not uncover all the potential liabilities and risks related to the property (for instance construction defects, liabilities, encumbrances, pollution) and there is a risk that the Group will not have recourse to the seller of the property for the non-disclosure of such risks. Official information in the land register of some of the countries in which the Group has its operations or assets may not be accurate and complete. Thus, although the Group may have to rely upon the information contained in land registers, it may not have effective recourse against the government if the information upon which the Group relied in deciding whether or not to make an investment was inaccurate, misleading or incomplete. Further, should vendor financing be provided to a buyer of assets from the Group or financing be provided to a borrower outside of the Group, the Group would be exposed to a credit risk which could be material.

Also, companies within the Group have issued guarantees regarding performances under acquisition agreements, which, if asserted, could lead to, among other things, increased costs for the Group. Furthermore, the acquisition and sale of a properties or property-owning subsidiaries may lead to that attractive and indirectly owned property assets are disposed of, and less attractive or indirectly owned property assets are acquired, causing a decrease in the value of the Group's property portfolio. Also, if properties are sold at a lower price than expected or if the market value of the properties decreases, this could negatively affect the Group's operations, financial position, and earnings and in turn the performance of the Company under the Bonds. As the Group is acquiring properties, the Group is exposed to the risk of unexpectedly increasing transaction costs due to, for example, cancelled acquisitions. In acquiring properties, the Group is also exposed to integration risks related to increased merging costs, organisational costs including personnel and unexpected costs related to management of new tenants or costs related to unexpected real estate property condition.

Furthermore, acquisitions of properties are for instance associated with uncertainty in relation to the handling of tenants, unexpected costs with respect to environmental clean-up, increased tax costs, rebuilding and handling technical problems, decisions from authorities and the occurrence of disputes relating to the acquisition or the condition of the property. Such uncertainties may cause delays and increased and/or unexpected costs for the transaction and that the value of the acquired property will therefore be lower than expected. In connection with the disposal of a property, there is a risk that claims could be directed against the Group regarding, among other things, the condition of the disposed property and provided warranties.

Increased costs related to misjudgements in relation to acquisitions and disposals, the materialisation of inherent risks and increased transaction and/or integration costs would negative affect the Group's financial position and earnings and in turn the performance of the Company under the Bonds.

The Company considers the probability of any of the risks occurring to be high. If any of the risks were to occur, the Company considers the potential negative impact to be high.

#### Technical risks

The Group's property management and property acquisitions are associated with technical risks, which include risks associated with the technical status of the property, such as the risk for defects and deficiencies, damages, and pollution. If such technical problems would occur, they may lead to increased costs for repairs and management of the Group's properties and the Company's ability to make payments under the Bonds could be adversely affected.

The Company considers the probability of the abovementioned risks occurring to be medium. If the risks were to occur, the Company considers the potential negative impact to be high.

#### Management, board of directors and dependence on key personnel

The Group has an organisation limited to a certain number of individuals within the management group, which in turn is provided by F. Holmström Fastigheter AB pursuant to the asset management agreement. (the “**Management Group**”) and to some extent consultants. The Group’s limited organisation and personnel may result in the Group incurring losses to inadequate routines regarding, among other things, role distribution, internal control, appropriate administrative systems, competence development and access to reliable valuation and risk models. The management may also make mistakes and wrong judgements in managing the Group, its assets and its financial indebtedness.

Due to the limited size of the organisation, the Group and its operations are dependent on the CEO of the Company, who also is a part of the Management Group and a shareholder in the Group, being a key employee. Through his experience, the Group has built good relationships with actors in the property market in Sweden and this key employee is therefore important for a successful development of the Group’s business.

If the Group would lose the Management Group, *e.g.* due to a termination of the asset management agreement, or the key employee leaves the Group, the Group could have problems with finding replacing such losses which could have a medium negative impact on the Group’s business operations. The Company considers that the probability of the risk occurring is high.

The Company has a Board which consists of a number of individuals. The board members may make mistakes and incorrect judgements in managing the Group, its assets and its financial indebtedness.

#### Ultimate Shareholder

The ultimate shareholder of the Group, Fredrik Holmström holds, through his wholly owned companies F. Holmströmgruppen AB and F. Holmström Fastigheter AB 100 per cent. of the share capital and votes in the Company. As the sole and controlling shareholder, Fredrik Holmström may be able to prevent or delay a change of control of the Group or take other actions that may be contrary to the interest of the Group’s other stakeholders, including the Bondholders. Further, the personal connections and business relationships of Fredrik Holmström are important to the conduct of the Group’s business. There is a risk that he in the future may not be able to make his services available to the Group, which could have an adverse effect on the Group’s business and the Company’s ability to make payments under the Bonds could be adversely affected. The Group does not maintain any “key man” insurance on Fredrik Holmström.

The Company considers the probability of the abovementioned risks occurring to be high. If the risks were to occur, the Company considers the potential negative impact to be high.

### **LEGAL AND REGULATORY RISKS**

#### Risks related to accounting rules and uncertainty in estimates

The Group is affected by the accounting rules applicable in the jurisdictions in which the Group operates, including IFRS and other international accounting standards. The Group’s accounting financial reporting and internal control may in the future be affected by changes of or altered practices or interpretation in relation to applicable accounting rules. This could result in uncertainty regarding the Group’s accounting, financial reporting, and internal control.

The Group's accounting, financial reporting and internal control are conducted in accordance with the Group's interpretation of the currently applicable accounting rules, and there is a risk that the Group's interpretation of such rules is incorrect. There is also a risk that changes to applicable accounting rules, or an altered application of the now applicable accounting rules could affect the Group's financial result, balance sheet and equity. The Company considers the probability of the risk occurring to be medium. If the risk were to occur, the Company considers the potential negative impact to be high.

Accounting in accordance with IFRS and generally accepted accounting principles require the management to make assumptions. Assets and liabilities, income, costs, and additional information accounted for are affected by assessment and assumptions. The actual outcome may however differ from the assessments and assumptions made. At the time of an acquisition or sale of a property by the Group, different assessments and assumptions may be made, for instance regarding that an additional purchase price will be payable, and changes to such factors could affect the Group's earnings and financial position, *inter alia*, due to changes to the value of the Group's properties. The Company considers the probability of incorrect assessments and assumptions to medium. If the risk were to occur, the Company considers the potential negative impact to be high.

The Vincero Group may be affected by changes in existing accounting standards (or interpretations thereof) which applies to its operations, including, for example, IFRS and other international accounting standards. For example, the changed assessment in accounting practices regarding control of tenant-owners' associations have led to a change in the timing for revenue recognition from the time of the binding agreement with the tenant-owners' associations to the time of the tenant-owners' possession of the apartments, being in connection with the completion of the project. For Vincero Group, this change corresponds to a delayed profit recognition amounting to approximately between two and three years. A corresponding change for rental property projects would lead to a time lag of approximately between two to five years depending on the size of the project. Such changes may give rise to uncertainty regarding the Vincero Group's accounting, financial reporting and internal control, which may negatively affect Vincero Group's reported profit, balance sheet and equity and thus the Group's book value of its holdings in Vincero Group and the Company's ability to make payments under the Bonds could be adversely affected. The Company considers the probability of the risk occurring to be medium. If the risk were to occur, the Company considers the potential negative impact to be high.

#### Rental regulations may restrict the group's ability to increase rents

The companies within the Group had during 2023 rental income of approximately SEK 48 million and, thus, a change by +/- 1 per cent. in the Group's rental income during 2023 would have had an effect on the Group's rental income of approximately SEK + 0,48 million/- 0,48 million. The ability of the Group to increase rents under its tenancy agreements may be limited by applicable rent regulations. For example, there is a legal principle of "utility value" (Sw. *Bruksvärdesprincipen*) which entails that rent levels should be proportionate to the quality and standard of the residential unit in question and can only be increased to a level that is in line with the rent that is charged on other comparable residential units (consequently, rents can only be subject to more significant above-inflation increases when the residential units have been upgraded). Further tightening of any applicable rental regulations in a specific market could have a negative impact on the market rental rates payable in that market. Decreases in the rental levels of the Group's properties could have a negative effect on the value of the Group's properties and this, in turn, could have a material negative impact on the growth and financial prospects of the Group and the Company's ability to make payments under the Bonds could be adversely affected.

### Insurance risks

The Group has insurance policies in respect of the properties. However, it is difficult to obtain insurance policies for property that provide full coverage on various types of disasters, such as terrorist attacks, natural disasters and war. There are also other factors that may affect the chances of getting sufficient insurance compensation to make the Group whole following damage to insured properties, for example inflation, tax and environmental concerns. The actual losses suffered by the Group could exceed its insurance coverage and could be material, which would have a material adverse effect on the Group's financial condition and the Company's ability to make payments under the Bonds could be adversely affected.

The Company considers that the probability of the above risks occurring to be medium. If the risks would materialise, the Company considers the potential negative impact to be high.

### Legal proceedings

The Group has no in-house legal competence but often hires external legal counsel. The Group may become involved in disputes and claims. Disputes may arise due to claims from the Group's different stakeholders such as tenants, financiers, suppliers etc. Disputes may also arise in conjunction with the Group's acquisition or divestment or properties' environmental conditions. Disputes can be time consuming and may entail costs, the size of which cannot always be foreseen, and can be lost, thus potentially having a material adverse effect on the Group. A dispute or several disputes could have a material adverse effect on the Group's reputation and costs and financial position and the Company's ability to make payments under the Bonds could be adversely affected.

The Company considers the probability of the above risks occurring to be high. If the risks would materialise, the Company considers the potential negative impact to be high.

### Legislative risks

The Group must comply with a wide variety of laws, regulations and provisions, including health, safety and environmental laws, laws relating to rent levels and the rights of tenants as well as corporate, accounting and tax laws. Changes in such laws, regulations and provisions or their interpretations could require the Group to adapt its business operations, assets or strategy, potentially leading to a negative impact on the value of its properties or its results, an increase in its expenses which adversely affects the financial position of the Group. Failure to comply with laws, regulations and provisions, including health, safety and environmental laws, laws relating to rent levels and the rights of tenants as well as corporate, accounting and tax laws may have a negative impact on the value of the Group's properties or its results or its reputation, and increase in its expenses, which could have a material adverse effect on the financial position of the Group and the Company's ability to make payments under the Bonds could be adversely affected.

The Company considers the probability of the above risks occurring to be medium. If the risks would materialise, the Company considers the potential negative impact to be high.

### Tax risks

The Group's interpretation of applicable tax laws and regulations may be incorrect or that such regulations or practice changes, possibly with retroactive effect. The Group may also, from time to time, be subject to tax audits which may result in additional tax or fees to be payable. Auditing of the current type may be accrued out for an extended period, and this generally means that any tax increases cannot be ruled out before the audit has been completed. The Group's tax situation is also affected by whether transactions between companies within the Group are considered to be market-

price and whether the Group's applied allocation principles, when allocating purchase value properties, are considered correct. If any such transaction is not considered to have been entered into on market terms, there is a risk that additional taxes, interest, or fees will be imposed on the Group. The Group has acquired properties and has acquired and sold shares and other assets and liabilities from subsidiaries of the Ultimate Parent, which are all transactions which may lead to increased taxes for the Group which could have a material adverse effect on the Group and the Company's ability to make payments under the Bonds could be adversely affected.

The Company considers the probability of the risk occurring to be medium. If the risk were to occur, the Company considers the potential negative impact to be high.

#### Changes in tax rules

Tax is a significant cost item for the companies in the Group. The Group's operations are affected by tax rules in force at any time and changes to these rules will thus have an effect on the Group. Changes to the property tax and other taxes such as corporate tax, VAT, and other governmental charges as well as rules regarding tax exempted disposals of shares could thus have a negative impact on the Group's operations and result.

As the Group's operations are capital intensive, the Group is affected by the new interest deduction limitation rules that entered into force in Sweden on 1 January 2019. The new rules entail a general limitation for interest deductions within the corporate sector by introducing an EBITDA-rule implying that a company is only given the right to deduct a negative net interest income (the difference between the company's deductible interest expenses and its taxable interest income) corresponding to a maximum of 30 per cent. of the company's taxable EBITDA.

In March 2017, a proposal was put forward regarding new tax legislation applicable to property owners based on an investigation concerning tax-free sales of properties packaged in companies, so called "packaging". In brief, the proposal sets out that if a property is divested through packaging (*i.e.* by divesting the company which owns the property), the divested company shall, in certain situations, be deemed to have divested and bought back the property (Sw. *avskattning*). In order to ensure that packaging is treated equally with a direct divestment of a property, company owning the property shall as a substitute to stamp duty, account for a standard income (Sw. *schablonintäkt*). The proposal further entails that the classification of properties as inventory items or capital assets is abolished within the corporate sector. If the legislation comes into force, it could have a material adverse effect on the Group's operations and financial position as the Group's properties almost always are divested through packaging.

Depending on how the Group's capital structure and operating profit appear going forward, the new rules may have a material adverse effect on the Group's results and the Company's ability to make payments under the Bonds could be adversely affected.

The Company considers that the probability of further changes in tax legislation that results in changes in the Group's tax position to be medium. If the risk were to occur, the Company considers the potential negative impact to be high.

#### Environmental risks

The Group must comply with all local regulations in relation to the environment and health and safety in respect of its properties. As the owner of the properties and land, the Group could be held liable for deterioration, damage, encumbrance or other hazardous causes originating from the operation of the properties, which may not be known or recognisable at the time of the purchase or which may occur at a later date.

According to Swedish legislation, the main rule is that the party conducting an activity which has contributed to contamination is also responsible for treating it. If the party conducting the activity cannot carry out or pay for such treatment and the party acquiring the property was aware of, or should have discovered the pollution, then the acquirer is responsible for carrying out the treatment.

The costs of any removal or clean up that may be necessary due to any deterioration, contamination, damage, encumbrance or hazardous materials may be higher than anticipated by the Group. Failure to comply with environmental regulations, or the need to comply with stricter new environmental regulations that may be introduced, could lead to higher costs or hinder the development of the Group's operations and the Company's ability to make payments under the Bonds could be adversely affected. There is also a risk that the Group may become liable for material environmental damage or other environmental liabilities in the future.

The Company considers the probability of any of these environmental risks occurring to be medium. If any of the risks were to occur, the Company considers the potential negative impact to be high.

## **RISKS RELATING TO THE FINANCING OF THE GROUP**

### Interest expense risk

Interest costs are one of the Group's largest cost items. Interest rate fluctuations affect the Group's profits through changes in interest expenses and the market values of interest rate hedging. Almost all of the Group's loans are exposed to interest rate fluctuations. An increase in interest rates may adversely affect the value of the Group's properties and other assets and also have a material adverse effect on the Group's financing expenses and the Company's ability to make payments under the Bonds.

The market interest rates are partly affected by the expected inflation rate. If the inflation is expected to increase, the market interest rates may increase and vice versa. If average interest rates for the financing of the companies of the Group as per 31 December 2023 (excluding interest-bearing debt to companies within the group of the Ultimate Parent which are not Group Companies) had been 1 percentage point higher, the Group's interest costs would on a yearly basis increase by approximately SEK 15,8 million. Increased interest rates and increased expenses could result in changes in fair market values, changes in cash flows and fluctuations in the Group's results and the Company's ability to make payments under the Bonds could be adversely affected. The Company considers the probability of any of the risks occurring to be high. If any of the risk were to occur, the Company considers the potential negative impact to be high.

### Financing risks

There is a risk that the Group may experience difficulties in raising new debt, repaying its existing debt or fulfilling its equity/assets ratio target or other financial targets in the future. Any failure to repay the principal or pay interest in respect of the Group's existing debt, the inability to refinance existing debt, or to raise new debt at corresponding or more favourable financial and other terms than currently in force, could have a material adverse effect on the Group's financial condition and results of operations and the Company's ability to make payments under the Bonds could be adversely affected.

The Group is financed through equity and interest-bearing debt as well as its cashflow. A large portion of the interest-bearing debt is borrowed by the Group's property-owning subsidiaries, which means that a large portion of the financial risks in the Group is attributable to its subsidiaries. The Group's long-term financing consists of bilateral credit facilities, secured by mortgages and pledges over properties, promissory notes (within the Group), shares in subsidiaries and by parent company guarantees. There may also be unsecured loans within the Group. There are certain obligations under

the credit facilities on maintaining, for example, certain interest cover ratios, equity/assets ratios and certain loan to value ratios. This means that the creditors of the subsidiaries could be entitled to demand repayment in advance of the creditors of the Company if the relevant Group subsidiaries do not fulfil such obligations. If such a demand is made, it could adversely affect the Company's financial condition and the Company's ability to make payments under the Bonds could be adversely affected.

The companies within the Group had as per 31 December 2023 outstanding interest-bearing debt (excluding interest-bearing debt to companies within the group of the Ultimate Parent which are not Group Companies) of approximately SEK 961 million.

Uncertainty in the financial markets or tightening regulation of banks could mean that the price of financing needed to carry out the Group's business will increase and that such financing will be less readily available. The level of the Group's leverage may also affect its ability to refinance its existing debt, which, in turn, could also affect its competitiveness and limit its ability to react to market conditions and economic downturns.

The Company considers the probability of any of these financing risks occurring to be high. If any of the risks were to occur, the Company considers the potential negative impact to be high.

The probability significantly increases in the event of a material deterioration of the macroeconomic development or a decrease in value of the Group's properties. If the risk occurs and a company within the Group is not able to obtain new financing for acquisitions or development or refinance existing facilities, the Company considers the potential negative impact to be high.

#### Liquidity risks

The Group's operations, especially as regards acquisition of properties and property developments projects, are mainly financed by interest bearing debt (see also the risk factor "*Financing risks*" above). There is a risk that the Group does not receive necessary debt financing needed for its operations due to factors within or beyond the Group's control. If such circumstances occur, it could mean that operations and projects will not be initiated, or completed before loans fall due, or that increased costs cannot be financed.

The Company considers the probability of the risk of not being able to obtain new financing for acquisitions or development or refinance existing facilities, or only being able to obtain such financing on unfavourable terms, for example due to delayed projects, unforeseen or increased costs due to factors within or beyond the Group's control, or a low equity ratio, to be medium. However, the probability significantly increases in the event of a material deterioration of the macroeconomic development or a decrease in value of the Group's properties. If the risk occurs and a company within the Group is not able to obtain new financing for acquisitions or development or refinance existing facilities, the Company considers the potential negative impact to be high.

#### Dependence on available financing alternatives

The Group's business model is, especially as regards acquisition of properties, based on its ability to obtain external financing. The access to and terms of such borrowed capital is dependent on the conditions for lending liquidity in the financial system.

If a financial crisis or distressed solution occurs, and the stability of the financial system is disturbed or ceases to function, the Group's access to financing may be significantly affected. For example, in connection with the financial crisis in 2008, the bank sector in Europe suffered a lack of liquidity, since the access to borrowed capital was deteriorated, which in turn led to a deterioration of the access to and the terms of bank loans and initially also increased the credit margins and interest rates. Thus, in

the event of new financial crisis or distressed situation, there could be difficulties for the Group in incurring new loans or refinancing existing loans, which would affect the Group's possibility to act in accordance with its business model. This would materially affect the Group's operations and results and the Company's ability to make payments under the Bonds could be adversely affected.

Should it become illegal for a lender to lend to the Group, the Group may on short notice (before the maturity date) be forced to repay its loan to such lender. The Group may not find an alternative lender in such a situation. This could have a material adverse effect on the Group's financial condition and results of operations and the Company's ability to make payments under the Bonds could be adversely affected.

The Company considers the probability of a financing risk as per the above occurring to be medium. If the risk would materialise, the Company considers the potential negative impact to be high.

#### Counterparty risks

The Group may provide loans to companies outside of the Group, which poses a credit risk to the Group that could be material. Further, financial institutions are counterparties to the Group's long-term bank loans and insurance arrangements. Credit risk in the Group's financing activities arises when, for example, investing liquidity surpluses, on the subscription of interest rate agreements and issued credit agreements. The default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could, among other things, adversely affect the prospects of the Group's counterparties, directly or indirectly, in ways which are difficult to predict. A previous example of this is the financial crisis starting in 2007-2008, when many banks and insurance companies in the United States and Europe experienced financial difficulties. If any of its financing or insurance counterparties fail to meet their financial obligations towards the Group, it could have a material adverse effect on the Group's financial condition and results of operations and the Company's ability to make payments under the Bonds could be adversely affected.

The Company considers the probability of any of the risks occurring to be high. If any of the risk were to occur, the Company considers the potential negative impact to be high.

### **RISKS FACTORS SPECIFIC AND MATERIAL TO THE BONDS**

#### Credit risks

An investment in the Bonds carries a credit risk relating to the Company and the Group. An investor's opportunity to obtain payment under the Bonds is therefore dependent on the Company's and the Group's ability and willingness to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and its financial position. An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively.

Another aspect of the credit risk is that any deterioration in the financial position of the Group may reduce the Group's possibility to receive debt financing at the time of redemption of the Bonds. The Company considers that the probability of the risks described above to be high. If the effects would materialise, the Company considers the potential negative impact to be high.

As mentioned above, the Company's assets and revenues relate to its subsidiaries, associated companies and joint ventures. Accordingly, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to enable it to make payments under the Bonds. The Company's subsidiaries are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments,

including the Bonds, or to make funds available for such payments. The ability of the Company's subsidiaries to make such payments to the Company is subject to, among other things, the availability of funds.

Should the value of the business conducted in the subsidiaries decrease, and/or should the Company not receive sufficient income from its subsidiaries, the investor's ability to receive payment under the Terms and Conditions may be adversely affected. The Company considers the probability of the risk occurring to be medium. If the risk were to occur, the Company considers the potential negative impact to be high.

#### Risks relating to the transaction security

Although the Issuer's obligations towards the Bondholders under the Bonds will be secured by a first priority pledge over the shares in the Issuer (the "**Security Asset**"), it is not certain that the proceeds of any enforcement sale of the Security Asset would be sufficient to satisfy all amounts then owed to the Bondholders.

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

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

The Company considers the probability of any of the risks occurring to be high. If any of the risk were to occur, the Company considers the potential negative impact to be high.

#### Risks relating to enforcement of the transaction security

If the Issuer, which shares have been pledged in favour of the Bondholders, is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such pledge may then have limited value because all of the creditors with more favorable claims must first be satisfied, potentially leaving little or no remaining assets in the Issuer for the Bondholders. As a result, the Bondholders may not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, the value of the shares subject to pledges may decline over time.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the Bondholders will only have an unsecured claim against the Issuer and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

Furthermore, the Group's financing arrangements with credit institutions and other lenders contain certain covenants and obligations of the Issuer and the relevant Group Companies, including but not limited to, financial covenants and cross default and change of control clauses. This means that such creditors could be entitled to demand repayment in advance if the relevant Group Companies do not fulfil such obligations. If such a demand is made, it could adversely affect the Issuer's financial condition and the Issuer's ability to make payments under the Bonds could be adversely affected. Any change of control clause in such financing arrangements of the Group may also in practice have a material

adverse effect on the Bondholders' ability to recover the full value (or any value in the case of an enforcement sale) of the shares in the Issuer.

There is also a change of control clause in the purchase agreement entered into with Areim in respect of the HAM Shares, providing that if the HAM Shares are owned by a company that is not wholly owned by F. Holmströmgruppen AB, Areim shall be entitled to acquire such HAM Shares for a price per share corresponding to 50% of the price per share paid at an exit event pursuant to such agreement. Thus, such change of control clause will be triggered by an enforcement of the pledge over the shares in the Issuer, which would have a material adverse effect on the Bondholders' ability to receive payments under the Bonds.

The Company considers the probability of any of the risks occurring to be high. If any of the risk were to occur, the Company considers the potential negative impact to be high.

#### Risks related to the admission to trading of the Bonds

In accordance with the Terms and Conditions, the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm. Even if the Bonds are admitted to trading on an exchange market, in accordance with the Terms and Conditions, the Bonds may not always be actively traded. In general, financial instruments with a high nominal value, such as the Bonds, are not traded as frequently as financial instruments with a lower nominal value. Given the high nominal value of the Bonds there is a risk that there will not be a liquid market for trading in the Bonds. This may result in Bondholders being unable to sell their Bonds when they wish to do so or at a price which allows them to make profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may thus have a negative impact on the market value of the Bonds and presents a significant risk for an investor who wants or needs to divest its Bonds. Furthermore, there is a risk that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

The Company considers the probability of the risk occurring to be high. If the risk were to occur, the Company considers the potential negative impact to be high.

#### Interest rate risks and benchmarks

The Bonds bear a floating rate interest at the rate of STIBOR plus a margin, and the interest rate of such Bonds is determined on the Quotation Day. Hence, the Bonds' value depends on several factors, one of the most significant over time being the level of market interest, which to a high degree is affected by the state of the Swedish and international economy and potential changes to the Benchmark Regulation affecting how STIBOR will be determined and develop in the future. There is a risk that an increase in the market interest rates will adversely affect the value of the Bonds. The process for determining STIBOR and other interest-rate benchmarks is subject to a number of statutory rules and other regulations.

Some of these rules and regulations have already been implemented, whilst some are due to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on 1 January 2018. The effect of the Benchmark Regulation addressed the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the

Benchmark Regulation cannot yet be fully determined due, among other things, to the limited period in which the regulation has been in force. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility in respect of some benchmarks. A further risk is that increased administrative requirements, and the resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this were to happen in respect of STIBOR, which is the benchmark that is used for the Bonds, the Terms and Conditions do not include any provisions regarding any replacement benchmark. Thus, if STIBOR would cease to be provided, it may result in the use of a replacement benchmark which may not be identical to the original, and therefore potentially result in a lower interest rate on the Bonds and could thus potentially be detrimental to the Bondholders.

The Company considers that the probability of the above risks occurring is medium. If the risks would materialise, the Company considers the potential negative impact to be high.

#### Risks related to amendments of the Terms and Conditions

Due to the Issuer's current financial situation the Issuer deems that it will not be able to fulfil its obligations under the Terms and Conditions and redeem the Bonds in full on the Final Maturity Date. Pursuant to the Written Procedure, the Terms and Conditions will be amended to extend the Final Maturity Date to 14 October 2026. There is a risk that the proposed amendments to the Terms and Conditions will not enable the Issuer to redeem the Bonds in full on the new Final Maturity Date. Consequently, there is a risk that the proposed amendments to the Terms and Conditions in the Written Procedure could have an adverse effect on the Bondholders' ability to receive payments under the Bonds.

The Company considers that the probability of the above risks occurring is medium. If the risks would materialise, the Company considers the potential negative impact to be high.