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Notice of written procedure for senior unsecured floating rate bonds issued by Serneke Group AB (publ)

Stockholm, 4 June 2020

To holders of the maximum SEK 1,000,000,000 senior unsecured callable floating rate bonds with ISIN SE0011256338 issued by Serneke Group AB (publ) (the "Issuer").

Capitalised not otherwise defined in this notice (the "**Notice**") shall have the meanings assigned to them in the terms and conditions relating to the Bonds (the "**Terms and Conditions**").

This notice will be sent by Intertrust (Sweden) AB (the "Agent") to direct registered owners and registered authorised nominees (Sw. *förvaltare*) of the Bonds recorded as of 3 June 2020 in the debt register (Sw. *skuldbok*) kept by Euroclear Sweden. This voting request has also been published on the websites of the Issuer and the Agent in accordance with 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. See "Voting rights and authorisation" under Section G (Written Procedure) for further information.

At the request of the Issuer, the Agent, acting in its capacity as agent for the Holders under the Terms and Conditions, hereby initiates a written procedure (the "**Written Procedure**"), whereby the Holders can approve or reject a proposal from the Issuer to make certain amendments to the Terms and Conditions. The request and the background thereto is described in Section A (Background) and Section B (Proposed amendments to the Terms and Conditions) below.

The Request (as defined in section D (*Request*)) is presented to the Holders without evaluation, advice or recommendations from the Agent. The Agent has not reviewed or assessed this Notice to a Written Procedure or the Request (and their effects, should it be adopted) from a legal or commercial perspective of the Holders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice to a Written Procedure or the Request (and their effects, should it be adopted). The Holders must independently evaluate whether the Request and its effects are acceptable or not.

All Holders are strongly encouraged to review and consider the Request.

Holders participate by completing and sending the voting form, attached hereto as Schedule 1 (*Voting form*) (the "**Voting Form**") and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (*Power of attorney/authorisation*) (the "**Power of Attorney**") or other sufficient evidence, 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 17.00 (CEST) on 24 June 2020 either by mail, courier or email to the Agent using the contact details set out below in Section G "Address for sending replies". Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must fulfil the formal criteria for being a Holder on 12 June 2020 (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.

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.

Important Dates

Record Date (for voting): 12 June 2020

Last time and day to vote: 17.00 (CEST) on 24 June 2020

A. Background

Rationale for the Request

Extension and liquidity covenant

During 2019, the Issuer initiated an implementation of a new regional based organisation where each region has the full responsibility and power to conduct the entire customer offering with a strong focus on improving the profitability. In addition, a cost savings program was initiated with the target of reducing overhead costs by a run rate of around SEK 200 million *per annum* from the first quarter of 2021.

Originally, the Issuer intended to refinance the Bonds during the spring 2020 following the divestment of 80 per cent. of the Karlatornet project in order to manage the debt maturity well in advance of the final redemption date as well as to be able to focus on operations. The market turmoil following the outbreak of Covid-19 combined with the postponement of the Karlatornet divestment (as further described below) and a challenging corporate bond market have altered these plans.

Hence, 2020 will be a year of consolidation and for the Issuer to enter a new corporate development phase. In the first quarter of 2020, the Issuer reported the strongest order back log in the Group's history. With an underlying profitability in the order book combined with higher profitability focus, the Issuer now seeks approval to extend the Bonds' maturity in order to return to the market as a stronger company and to refinance the Bonds in a stabilised bond market.

Further, financial flexibility and preparedness following the financial market turmoil during the first quarter of 2020 have been, and is expected to continue to be, key for the Group's operations. The current liquidity covenant is limiting the Group's operations and ability to maneuver working capital swings in the short term why the Issuer seeks approval to remove the liquidity covenant for the remaining term of the outstanding bond. The Group's financial objectives still includes a liquidity buffer of 5 per cent. of sales and a conservative capital structure is assured with an increase of the maintenance test to 30 per cent. Consolidated Equity Ratio (in line with the existing Incurrence Test which then will be removed).

Karlatornet

In 2016, the Group and NREP established a joint venture through Karlastaden Holding AB for the purpose of the planning, constructing and development of the urban development project Karlastaden, a new district in the expansive area of Lindholmen, Gothenburg, with Karlatornet in the centre. On 28 December 2018, the Group acquired NREP's stake in Karlastaden Holding AB and consequently controls a total of 240,000 square metres construction rights for business offices, housing and commerce in Gothenburg.

As communicated by the Issuer on 16 January 2020, Serneke has reached an agreement-in-principle with Oaktree Capital Management to divest 80 per cent. of Karlatornet, while retaining a 20 per cent. ownership stake and the role as main contractor for the Karlatornet project, conditional *inter alia* upon finalisation of senior financing, transaction documentation and customary conditions. Following the partial divestment, the Group will provide certain security and guarantees for the senior financing and make further investments in Karlatornet.

As subsequent communicated by the Issuer on 25 March 2020, the completion of the abovementioned sale of Karlatornet has been postponed due to uncertainties in the global financial markets amidst the coronavirus pandemic.

The contemplated transactions are permitted under the Terms and Conditions. However, in order to alleviate any potential uncertainties of the buyer regarding the Terms and Conditions and to facilitate an expedient sale of Karlatornet upon the reoccurrence of favourable market conditions, the Issuer proposes certain clarifications of the Terms and Conditions in respect of the construction and development of, investment in and disposal of Karlatornet.

Further information

For further information about the background and the proposal please see the investor presentation attached hereto as Schedule 3 (Investor presentation).

B. Proposed amendments to the Terms and Conditions

Proposed amendments

The amendments proposed by the Issuer to be made to the Terms and Conditions are set forth in full in Schedule 4 (Proposed Amended and Restated Terms and Conditions) of this Notice, where blue and underlined text indicates additions whereas red and crossed-out text indicates deletions. A summary of the proposed amendments to the Terms and Conditions are also set forth below in this Section B.

Extension of the Final Redemption Date

The Final Redemption Date of the Bonds is 1 June 2021 (the "**Original Final Redemption Date**"). The Issuer proposes that the Final Redemption Date of the Bonds is extended by eighteen (18) months to 1 December 2022 (the "**Extended Final Redemption Date**").

Increase in redemption amount

Pursuant to Clause 10.1 (*Redemption at maturity*) of the Terms and Conditions, the Issuer shall redeem the Bonds in full on the Final Redemption Date at par. In consideration of the extension of the Final Redemption Date, the Issuer proposes that the Bonds, if redeemed at the Extended Final Redemption Date, shall be redeemed at an amount per Bond equal to one hundred and four (104.00) per cent. of the Nominal Amount.

Extension of call structure and step-up in call premium

Pursuant to Clause 10.3 (*Early voluntary redemption by the Issuer (call option)*) of the Terms and Conditions, the Issuer may redeem the Bonds in full on any Business Day falling on or after the First Call Date, but before the Original Final Redemption Date, at the applicable Call Option Price. In consideration of the extension of the Final Redemption Date, the Issuer proposes that the Issuer may redeem the Bonds in full on any Business Day falling on or after the First Call Date, but before the Extended Final Redemption Date subject to a step-up following the Original Final Redemption Date. The Call Option Price in relation to an early voluntary redemption by the Issuer following the Original Final Redemption Date shall be:

- (i) one hundred and one (101.00) per cent. of the Nominal Amount if the call option is exercised after the Original Final Redemption Date up to (but excluding) the date falling six (6) months after the Original Final Redemption Date;
- (ii) one hundred and two point five (102.50) per cent. of the Nominal Amount if the call option is exercised on or after the date falling six (6) months after the Original Final Redemption Date up to (but excluding) the date falling twelve (12) months after the Original Final Redemption Date; or
- (iii) one hundred and four (104.00) per cent. of the Nominal Amount if the call option is exercised on or after the date falling twelve (12) months after the Original Final Redemption Date up to (but excluding) the Extended Final Redemption Date.

Increase of the Interest Rate

The Issuer proposes that the Interest Rate is increased by three hundred (300) basis points *per annum*, to eight hundred and twenty-five (825) basis points *per annum*, however subject to any step-down following mandatory partial prepayments in an aggregate amount of SEK 200,000,000 (please see section "*Mandatory partial prepayment of Bonds*" below).

Mandatory partial prepayment of Bonds

The Issuer proposes the introduction of a mandatory partial prepayment undertaking whereby the Issuer shall, at one or more occasions, up to and including the Original Final Redemption Date prepay Bonds in an aggregate amount of SEK 200,000,000 at the applicable Call Option Amount for the relevant period. Each such partial redemption shall reduce the Nominal Amount of each Bond *pro rata* in accordance with the procedures of the CSD. The Issuer also proposes that the Interest Rate shall be reduced by two hundred and fifty (250) basis points *per annum*, to five hundred and seventy-five (575) basis points *per annum*, provided that the Issuer has made such partial prepayments of Bonds in an aggregate amount of SEK 200,000,000.

Deletion of liquidity covenant

Pursuant to Clause 11.9 (*Maintenance Test*) of the Terms and Conditions, the Issuer shall amongst other things ensure that the ratio of Available Cash to Total Sales exceeds five (5.00) per cent. as long as any Bond is outstanding (the "**Liquidity Covenant**"). The Issuer proposes that the Liquidity Covenant is deleted in its entirety.

Increase of the Consolidated Equity Ratio and deletion of the Incurrence Test

Pursuant to Clause 11.9 (*Maintenance Test*) of the Terms and Conditions, the Issuer shall amongst other things ensure that the Consolidated Equity Ratio exceeds twenty-five (25.00) per cent. as long as any Bond is outstanding. The Issuer proposes that the requirement in respect of the Group's Consolidated Equity Ratio is increased to thirty (30.00) per cent. in relation to the Maintenance Test.

Pursuant to the Terms and Conditions, the Issuer shall ensure that the Incurrence Test is met, *i.e.* Consolidated Equity Ratio exceeds thirty (30.00) per cent., in conjunction with incurrence of new Financial Indebtedness (including any Subsequent Bond Issue) or a Restricted Payment being made, which requires that the Incurrence Test is met. Following the proposed increase of the required Consolidated Equity Ratio under the Maintenance Test, which corresponds with the existing requirement under the Incurrence Test, the Issuer consequently proposes that the Incurrence Test is deleted in its entirety.

Karlastaden project

The Issuer proposes the introduction of specific references to the Karlatornet project in the definition of "Project" and "Permitted Security" in Clause 1.1 (*Definitions*) of the Terms and Conditions and Clauses 11.1 (*Distributions*) of the Terms and Conditions, in order to clarify that the construction and development of, investments in and disposal of the Karlatornet project, including that granting security or similar arrangements over parking facilities and other property facilities ancillary to Karlatornet in connection with a disposal of the Karlatornet Project, is permitted under the Terms and Conditions.

Consequential amendments

As a consequence of the amendments to the Terms and Conditions proposed by the Issuer, certain consequential amendments and updates to the Terms and Conditions will be required.

C. Risk factors relating to the Issuer and the Request

The holding of the Bonds and the amendments to the Terms and Conditions contemplated by the Request entails certain risks. Each Holder should carefully review the risk factors set out in the investor presentation in Schedule 3 (*Investor*

presentation). The Issuer does not represent that the risks of the holding any Bonds or of the Request are exhaustive.

D. Request

The Holders are asked to confirm that the Holders agree to the proposed amendments set out in "Proposed amendments" under Section B (the "**Request**").

The Issuer has informed the Agent that, at the date of this Notice, Holders and beneficial owners of Bonds representing an aggregate nominal amount of approximately 53.00 per cent. of the Adjusted Nominal Amount has undertaken to vote in favour of the Request.

E. Consent fee

If the Request is approved by the Holders, a consent fee amounting to one (1.00) per cent. of the Nominal Amount as of the date of the approval of the Request (the "**Consent Fee**") will be paid to the Holders (regardless if such Holder have participated in the Written Procedure or voted for or against the Request). The Consent Fee shall be paid to the Holders on a *pro rata* basis and must be paid fifteen (15) Business Days after the date of approval of the Request. The payment shall be made through the CSD to such person who is registered as a Holder on the Record Date (12 June 2020).

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

F. Effective date

The Request shall be deemed approved and effective immediately upon expiry of the voting period and receipt of the required majority as set forth in "Majority" under Section G or if earlier, when a requisite majority of consents of the Adjusted Nominal Amount have been received by the Agent.

The Issuer and the Agent shall, in order to implement and effectuate the Request, enter into amended and restated Terms and Conditions. In addition, the Issuer and the Agent may agree to take any other action deemed required in order to implement the Request.

G. Written Procedure

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

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 17.00 CET, on 24 June 2020. Votes received thereafter may be disregarded.

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.

Information about the decision taken under the Written Procedure will be sent by notice to the Holders and be published on the websites of the Issuer and the Agent.

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

Voting rights and authorisation

Anyone who wishes to participate in the Written Procedure must on the Record Date (12 June 2020) in the debt register:

- (i) be registered as a direct registered owner of a Securities Account; or

- (ii) be registered as authorised nominee in a Securities Account, with respect to one or several Bonds.

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 (as set out in 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 holder of the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the debt register as a Holder 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.

Quorum

To approve the Request, Holders representing at least twenty (20.00) per cent of the Adjusted Nominal Amount must reply to the Request under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure.

Majority

Two thirds ($\frac{2}{3}$) of the Adjusted Nominal Amount for which Holders reply under the Written Procedure must consent to the Request in order for it to pass.

Address for sending replies

Return the Voting Form, in the form set out in Schedule 1, and, if applicable, the Power of Attorney, in the form set out in Schedule 2, or other sufficient evidence, if the Bonds are held in custody other than Euroclear Sweden, by regular mail, scanned copy by e-mail, or by courier to:

By regular mail:

Intertrust (Sweden) AB
Attn: Beatrice Gustafsson
P.O. Box 16285
SE-103 25 Stockholm

By courier:

Intertrust (Sweden) AB
Attn: Beatrice Gustafsson

Sveavägen 9, 10th floor
SE-111 57 Stockholm

By email:

E-mail: trustee@intertrustgroup.com

Further information

For further questions to the Issuer or the arrangers appointed by the Issuer regarding the Request, please contact the Issuer and the arrangers at the following e-mail addresses or telephone numbers:

The Issuer

E-mail: Elisabeth.Karlsson@serneke.se

Telephone: +46 70 233 79 77

The Arrangers

Carnegie Investment Bank AB (publ)

E-mail: corpbondorig@carnegie.se

Telephone: +46 73 417 89 86

Nordea Bank Abp

E-mail: nordealiabilitymanagement@nordea.com

Telephone: +45 61 612 996.

For further questions to the Agent regarding the administration of the Written Procedure, please contact the Agent at trustee@intertrustgroup.com or +46 70 141 10 82.

Stockholm on 4 June 2020

Intertrust (Sweden) AB

as Agent

ENCLOSED

Schedule 1	Voting Form
Schedule 2	Power of Attorney/Authorisation
Schedule 3	Investor Presentation
Schedule 4	Proposed Amended and Restated Terms and Conditions

SCHEDULE 1

VOTING FORM

For the Written Procedure initiated on 4 June 2020 for the maximum SEK 1,000,000,000 senior unsecured callable floating rate bonds 2018/2021 with ISIN SE0011256338 (the "Bonds") issued by Serneke Group AB (publ).

The Issuer requests the Holder to approve the Request set out in the notice for the Written Procedure.

The Agent is hereby empowered to enter into all necessary documentation required to implement the Request, in the event the Request is approved.

Reply

Name of person/entity voting: _____

Nominal Amount voted for: _____

The undersigned hereby (put a cross in the appropriate box) votes for alternative:

A) Approve **B) Reject** **C) Refrain from voting**

with respect to the Request.

The undersigned hereby confirms (put a cross in the appropriate box) that this voting form shall constitute a vote also for a second Written Procedure (if any) pursuant to paragraph (j) of clause 14 (*Decisions by the Holders*) of the Terms and Conditions with respect to the Request:

Confirmed **Not confirmed**

Signature

 Name in print:

Contact information

Email:

Tel:

NOTE: Please attach a power of attorney/authorisation if the person/entity voting is not registered on the Securities Account as a direct registered owner or authorised nominee. The voting form shall be signed by an authorised signatory. A certified copy of a registration certificate or a corresponding authorisation document for the legal entity shall be appended to the voting form for any legal entity voting.

The registration certificate, where applicable, may not be older than one year.

SCHEDULE 2

POWER OF ATTORNEY/AUTHORISATION

Written Procedure initiated on 4 June 2020 for the maximum SEK 1,000,000,000 senior unsecured callable floating rate bonds 2018/2021 with ISIN SE0011256338 (the "Bonds") issued by Serneke Group AB (publ).

Authorised Person²: _____

Nominal Amount³: _____

Grantor of authority⁴: _____

We hereby confirm that the Authorised Person specified above has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of⁵: _____

We are (put a cross in the appropriate box):

- | | |
|--|--|
| | Registered as authorised nominee on a Securities Account |
| | Registered as direct registered owner on a Securities Account |
| | Other intermediary and hold the Bonds through ⁶ _____ |

Date:

Signature

² Insert the name of the person/entity that should be authorised to vote.

³ Insert the aggregate nominal amount the Authorised Person should be able to vote for.

⁴ Insert the name of entity/person confirming the authority.

⁵ The total Nominal Amount the undersigned represents

⁶ Mark this option if the undersigned is not registered as authorised nominee or direct registered owner in the Securities Account kept by Euroclear. Please insert the name of the firm the undersigned holds the Bonds through.

SCHEDULE 3

INVESTOR PRESENTATION



SERNEKE®

INVESTOR PRESENTATION

JUNE 2020

Disclaimer

IMPORTANT INFORMATION

Acceptance of limitations: The information in this presentation (the "Material") is provided by Serneke Group AB (publ), reg. no. 556669-4153 (the "Company", solely for the recipient's information in connection with the contemplated amendments to the terms and conditions for the Company's existing senior unsecured floating rate bonds 2018/2021 in the maximum amount of SEK 1,000,000,000 and with ISIN SE0011256338 (the "Bonds" and the "Amendment Process").

The intended recipients are determined by Nordea Bank Abp and Carnegie Investment Bank AB (publ) (together the "Solicitation Agents"). By attending a meeting where this Material is presented, or by reading this Material you agree to be bound by the terms, conditions, limitations and notifications described below. This Material is strictly confidential and has been prepared exclusively for the benefit and internal use of the addressee and no part of this Material or the information it contains may be disclosed, reproduced or redistributed to any other party unless expressly agreed in writing by the Solicitation Agents. References to "Serneke", the "Company" or the "Group" refer in this Material to the Company and the Company's subsidiaries, unless otherwise indicated by the context.

The Solicitation Agents and its affiliates may contact holders of Bonds (the "Holders") and their nominees regarding the Amendment Process and may request any relevant nominees to forward this Material and related materials to Holders, subject to compliance with applicable securities laws and other restrictions described in this Material.

Use of this Material: This Material does neither constitute an offer to sell nor a solicitation of an offer to buy any securities, and it does not constitute any form of commitment or recommendation in relation thereto. No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information in this Material. The content of this Material is not to be construed as legal, credit, business, financial, investment or tax advice.

No financial, credit or business advice: The Solicitation Agents are not giving and are not intending to give financial, credit, investment, legal or tax advice to any Holder, and this Material shall not be deemed to be financial, credit, investment, legal or tax advice from the Solicitation Agents to any Holder. Participation, by the means of the Amendment Process, involves a high level of risk and several factors could cause the actual results or performance of the Company to be different from what may be expressed or implied by statements contained in this Material. Holders should not make any decision and/or act in any way only upon the basis of the information provided herein. Each Holder acknowledges that it is solely responsible for, and must rely on, its own assessment of the market and the market position of the Company and that it must conduct its own analysis and be solely responsible for forming its own view of the potential future performance of the Company. Any Holder participating in the Amendment Process is bound by the terms and conditions for the Bonds, and may be bound by the amended terms and conditions of the Bonds following the Amendment Process if a requisite majority approves the amended terms and conditions in the contemplated written procedure. Holders are encouraged to request from the Company and other sources such additional information as they require to enable them to make informed decisions, to seek advice from their own legal, tax and financial advisors and to exercise an independent analysis and judgment of the merits of the Company.

No liability: Although the Company has endeavoured to give a correct and complete picture of the Company, neither the Company nor the Solicitation Agents or any of the Solicitation Agents' subsidiaries, directors, officers, employees, advisors or representatives (collectively the "**Representatives**") have independently verified the information in this Material and none of the Company nor the Solicitation Agents or any of the Solicitation Agents' Representatives can be held liable for any loss or damage of any kind, whether direct or indirect, arising from the use of this Material. None of the Company, the Solicitation Agents or any Representatives is acting for any Holder, or will be responsible to any Holder for providing any protections which would be afforded to its clients or for providing advice in relation to the Amendment Process. None of the Company, the Solicitation Agents or any Representatives make any representation or recommendation whatsoever regarding the Amendment Process, or any recommendation as to whether Holders should vote in favour or against any proposals in the Amendment Process.

Information sources: The information in this Material is presented by the Company and has been produced by the Company assisted by the Solicitation Agents exclusively for information purposes. Only a limited due diligence has been carried out in connection with the preparation of this Material. Thus, there may be risks related to the Company which are not included in this Material and which could have a negative effect on the Company's operations, financial position, earnings and result. No information in this Material has been independently verified by the Company, the Solicitation Agents or any advisor to the Company or the Solicitation Agents. The information relating to the Company does not constitute a complete overview of the Company and must be supplemented by the reader wishing such completeness.

Disclaimer

Forward looking statements: Certain information contained in this Material, including any information on the Company's plans or future financial or operating performance and other statements that express the Company's expectations or estimates of future performance, constitute forward-looking statements (when used in this document, the words "anticipate", "believe", "estimate" and "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements). Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. The Company cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements.

Financial information: This Material contains financial information regarding the businesses and assets of the Company and the Group. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. Hence, such financial information might not have been produced in accordance with applicable or recommended accounting principles and may furthermore contain errors and/or miscalculations. The inclusion of financial information in this Material should not be regarded as a representation or warranty by the Company or the Solicitation Agents, or any of their respective Representatives as to the accuracy or completeness of such information's portrayal of the financial condition or results of operations of the Company.

Actuality: This Material is dated May 19 2020. Neither the Company nor the Solicitation Agents can guarantee that there has been no change in the affairs of the Company since May 19 2020, nor do they intend to, or assume any obligation to, update or correct any information included in this Material. This Material may however be changed, supplemented or corrected without notification.

Conflicts of interest: The Solicitation Agents and their clients and/or employees may hold shares, options or other securities of any issuer referred to in this Material and may, as principal or agent, buy or sell such securities. Furthermore, the Solicitation Agents have engaged in, or may in the future engage in, investment banking and/or commercial banking or other services for the Company in their ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Solicitation Agents having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Prospectus: This Material does not constitute a prospectus for purposes of Regulation (EU) 2017/1129. Accordingly, this Material has not been approved by any supervisory authority. However, a prospectus relating to the admission of trading of the Bonds has been prepared and approved and has been published and is available at the Swedish Financial Supervisory Authority's webpage (www.fi.se/sv/vara-register/prospektregistret/) and at the Company's webpage (ir.serneke.se/en/bond-issue).

Distribution: Neither this Material nor any copy of it or the information contained herein is being issued, nor may this Material, any copy of it or the information contained herein be distributed directly or indirectly, in or into the United States, Canada, Australia, Hong Kong, Italy, New Zealand, the Republic of South Africa, Japan, the Republic of Cyprus, the United Kingdom or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. No securities referred to in this Material have been or will be registered by the Company under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state of the United States. This Material may not be distributed into or in the United States or to any "US person" (as defined in Rule 902 of Regulation S under the Securities Act). The distribution of this Material in other jurisdictions may be restricted by law and persons into whose possession this Material comes should inform themselves about, and observe, such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of any such other jurisdiction.

Applicable law: This Material is subject to Swedish law, and any dispute arising in respect of this Material is subject to the exclusive jurisdiction of Swedish courts (with Stockholm District Court as court of first instance).

Placement fee: Solicitation Agents will be paid a fee by the Company in respect of the Amendment Process.

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2. Company and financial update
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Proposal overview and transaction summary (1/2)

Background

- Serneke is contemplating an amendment of certain terms and extension of the final maturity of its senior unsecured floating rate notes with original maturity in June 2021
- During 2019, Serneke initiated an implementation of a new regional based organisation where each region has the full responsibility and power to conduct the entire customer offering with a strong focus on improving the profitability. In addition, a cost savings program was initiated with the target of reducing overhead costs by a run rate of around SEK 200m p.a. from Q1 2021
- The company's plan was to refinance the SEK 700m bond during the spring 2020 on the back of the 80% sale of the Karlatornet project in order to manage the maturity well in advance of the maturity date as well as to be able to focus on operations. The market turmoil following Covid-19 with a postponed Karlatornet transaction and a challenging SEK primary corporate bond market have altered these plans
- 2020 will be a year of consolidation and for Serneke to enter a new corporate development phase. In Q1 2020, Serneke reported the strongest order back log in the company's history. With an underlying profitability in the order book combined with higher profitability focus, Serneke now seeks approval to extend current outstanding 2018/2021 bond maturity in order to return to the market as a stronger company and to refinance the outstanding bond in a stabilised market
- Further, financial flexibility and preparedness following the financial market turmoil during the first quarter of 2020 have been, and is expected to continue to be, key for the operations. The current liquidity covenant is limiting the company's operations and ability to maneuver working capital swings in the short term why Serneke seeks approval to remove the liquidity covenant for the remaining term of the outstanding bond. The company's financial objectives still includes a liquidity buffer of 5% of sales and a conservative capital structure is assured with an increase of the maintenance test to 30% Equity ratio (in line with incurrence test which then will be removed)



Proposal overview and transaction summary (2/2)

Proposed amendments

Maturity extension	<ul style="list-style-type: none"> Extend final redemption date by 18 months From 1 June 2021 to 1 Dec 2022
Amendment of Maintenance- and Incurrence Test	<ul style="list-style-type: none"> Remove liquidity covenant, i.e. "Availability of cash for the Group exceeds 5% of previous year's total sales" Increase the Maintenance Test, i.e. Consolidated Equity Ratio to exceed 30% (from 25%) in line with Incurrence Test. Consequently remove the Incurrence test
Mandatory partial repayment	<ul style="list-style-type: none"> Partial repayment of SEK 200m no later than 1 June 2021 Repayment at applicable Call Option Price
Interest rate step up	<ul style="list-style-type: none"> 300 bps step up implemented in relation to the written procedure being effective and step down by 250 bps subject to a Mandatory partial repayment of SEK 200m being made
Call structure step up	<ul style="list-style-type: none"> 100% (1 Jun 2021) 101% (2 Jun 2021 - 30 Nov 2021) 102.5% (1 Dec 2021 - 31 May 2022) 104% (1 Jun 2022 - 30 Nov 2022)
Redemption amount at maturity	<ul style="list-style-type: none"> Unless redeemed earlier, redemption amount at maturity shall be 104% of Nominal Amount Final maturity date 1 December 2022
Other amendments	<ul style="list-style-type: none"> Clarifications in relation to the Karlatornet project Minor tidy ups



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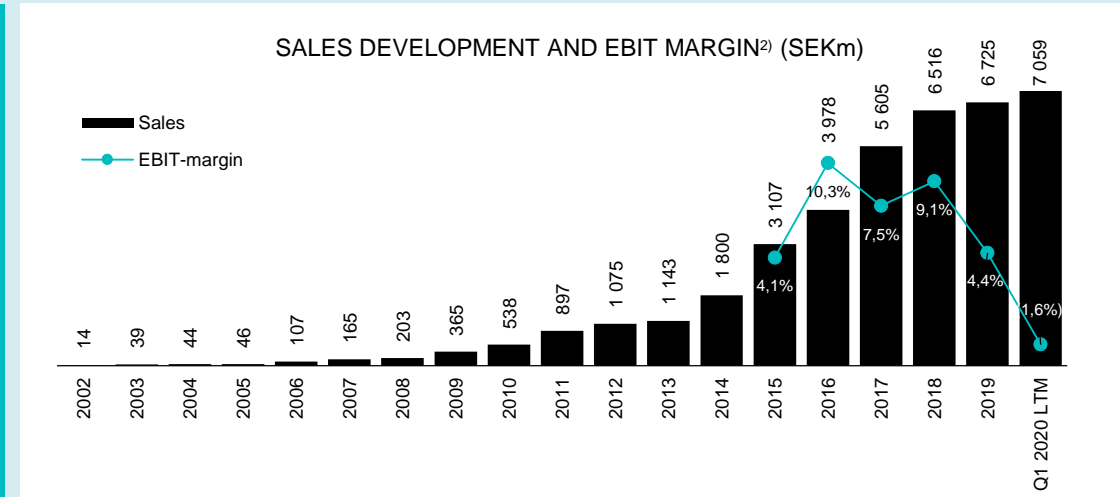
1. Background and summary of proposal
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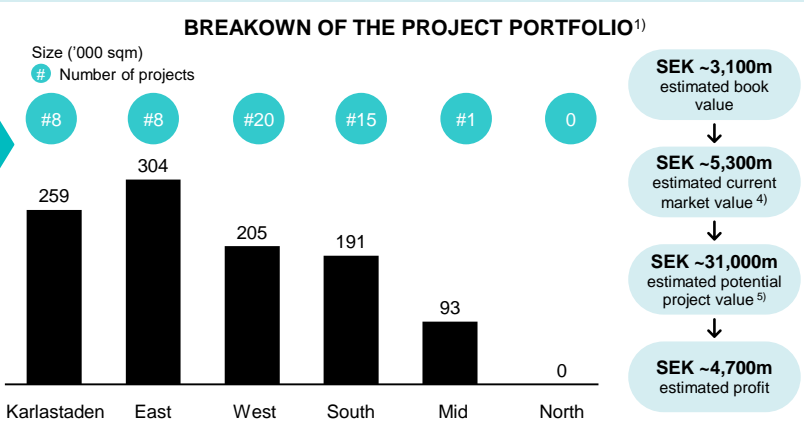
Serneke in brief



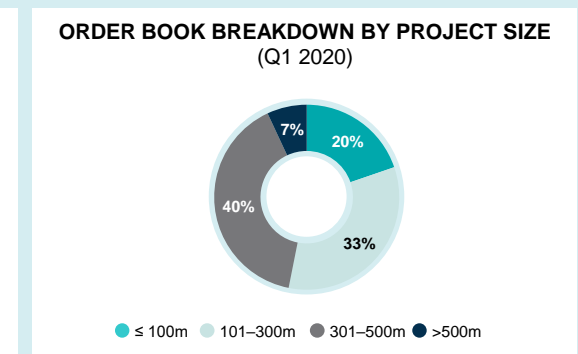
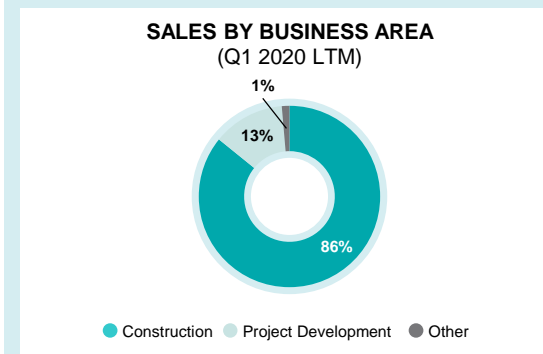
- Founded in 2002 by Ola Serneke and headquartered in Gothenburg
- Full-service offering within Construction and Project Development and an established position on the market with sales of SEK ~7bn as of Q1 2020 LTM
- Close to 1,100 employees, of which ~70% white collar
- In 2019, Serneke consolidated and restructured the organisation based on a regional focus; West, East, South, Central and North, with 20 local offices in key areas providing Serneke's entire offering of services
- Serneke challenges the market leaders with the same level of security and expertise, but with more energy, commitment and innovative thinking



Attractive Project Development portfolio with >1,000,000 sqm of building rights of which ~50%

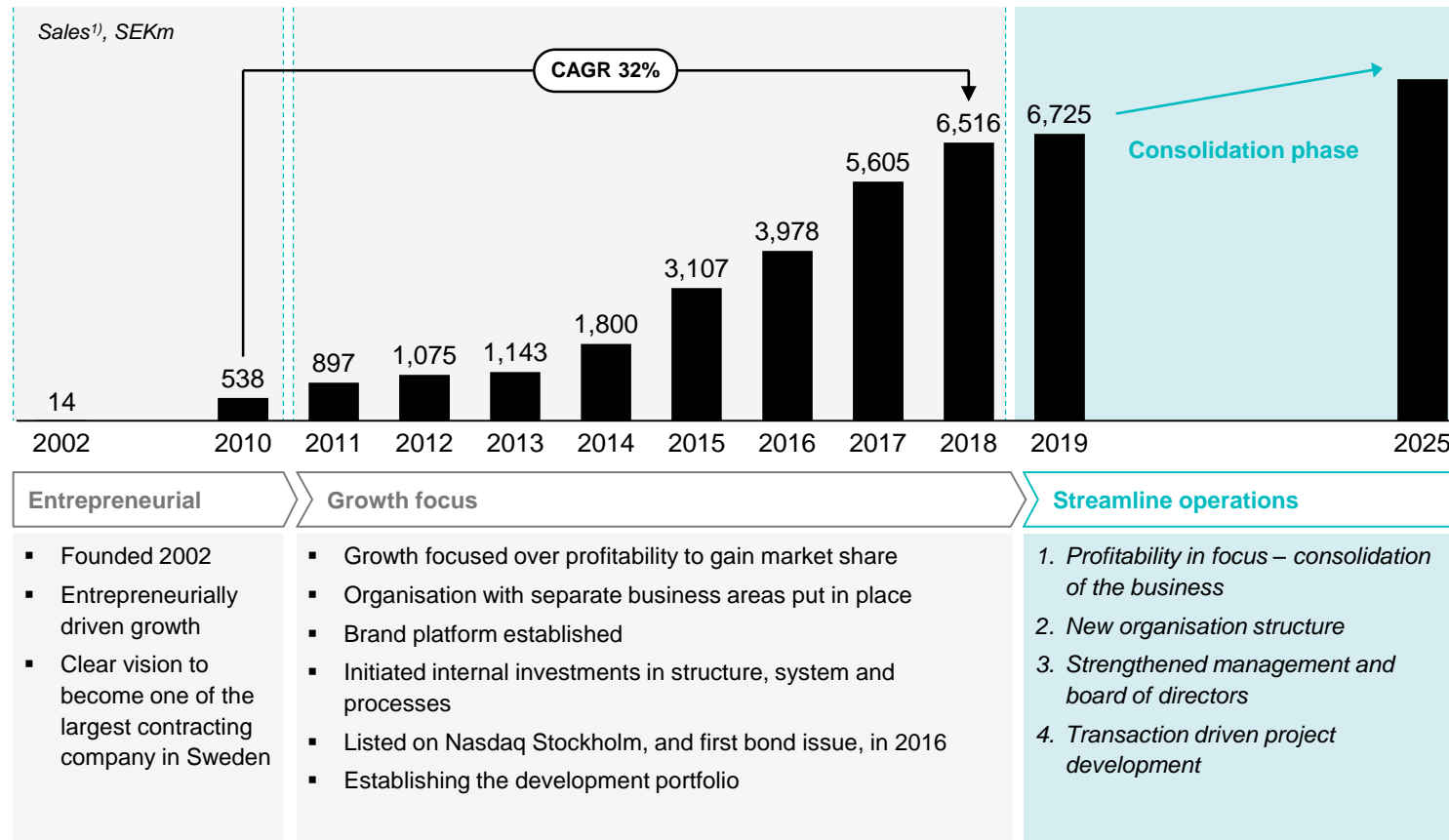


SEK 7 billion in sales¹⁾
 22.6% Organic growth Q-on-Q Q1 2020
 SEK 10.5 billion in order book³⁾ (excl. partnering)
 37% Equity/asset ratio²⁾



Notes: 1) As per LTM Q1 2020. 2) Sales net eliminations and Group-related expenses. EBIT is adjusted for extraordinary items of SEK 380m in 2019 and SEK 135m in LTM Q1-2020. For more details please see Company Annual Report 2019 and Q1 Report 2020. 3) As per Q1 2020. 4) Estimated liquidation value notwithstanding book value and further exploitation. 5) Estimated value based on recent offer and an overall sound valuation approach.

Serneke's development in three phases

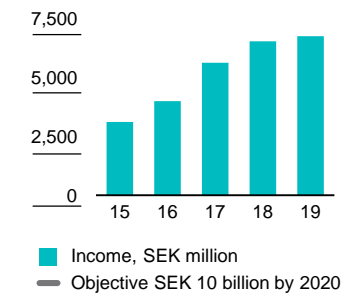


FOCUS GOING FORWARD WILL BE ON CONSOLIDATION AND ENHANCED PROFITABILITY

Financial targets²⁾

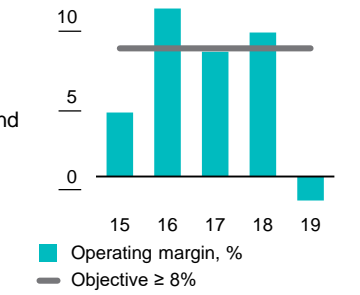
GROWTH

- Consolidate the business within current organisation structure
- Growth in existing markets and with existing offerings



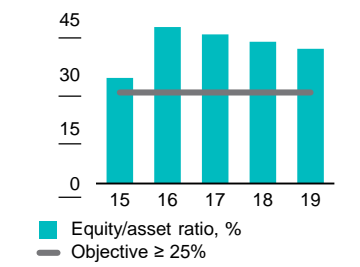
PROFITABILITY

- Focus on services where Serneke is proven to be strong
- Reduce lost generating units and initiatives without market positions
- Project margins in line with the three largest industry peers



CAPITAL STRUCTURE

- Well-balanced capital structure
- Equity ratio over 25%



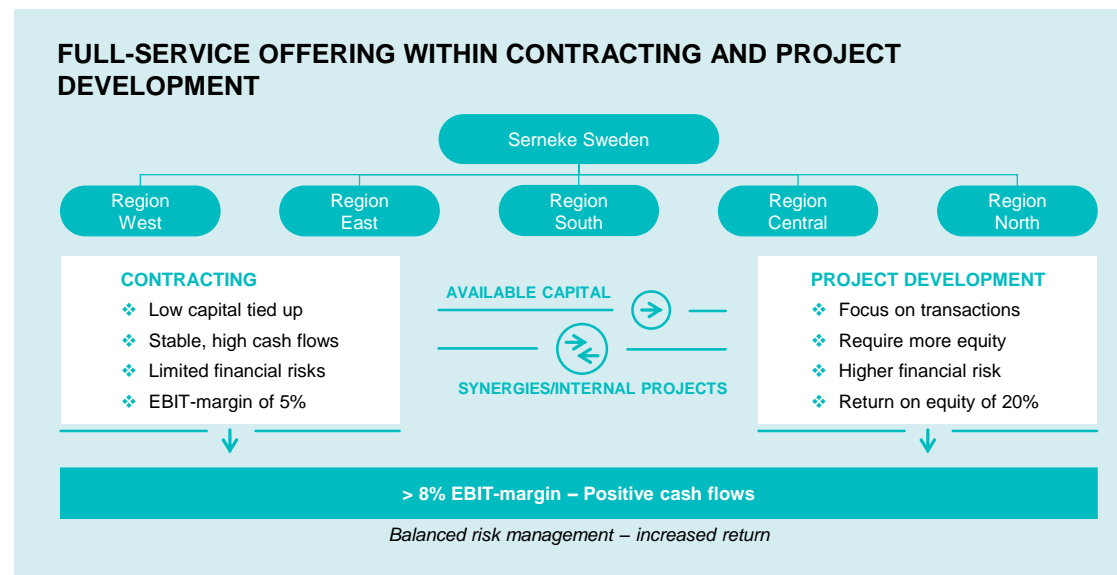
Notes: 1) Net of eliminations and Group-related expenses. 2) Financial targets are under revision and the revised targets will be communicated during 2020 to align these with the ongoing consolidation phase

New organisation with focus on cost and control

Overview of the organisation and business model

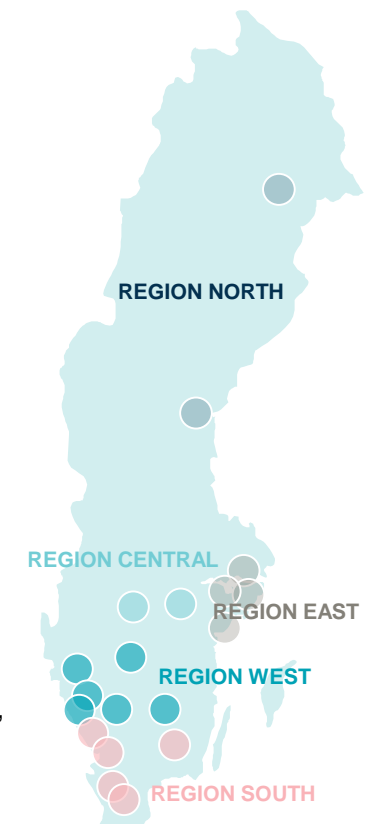
SERNEKE SWEDEN

- Reorganised into five core business regions allowing for closer contact with the customers, stronger commitment and entrepreneurship which in turn increases cooperation
- Target to increase efficiency and profitability with balanced risk management and increased return
- The reorganisation results in a direct reduction of costs by SEK 200m p.a.



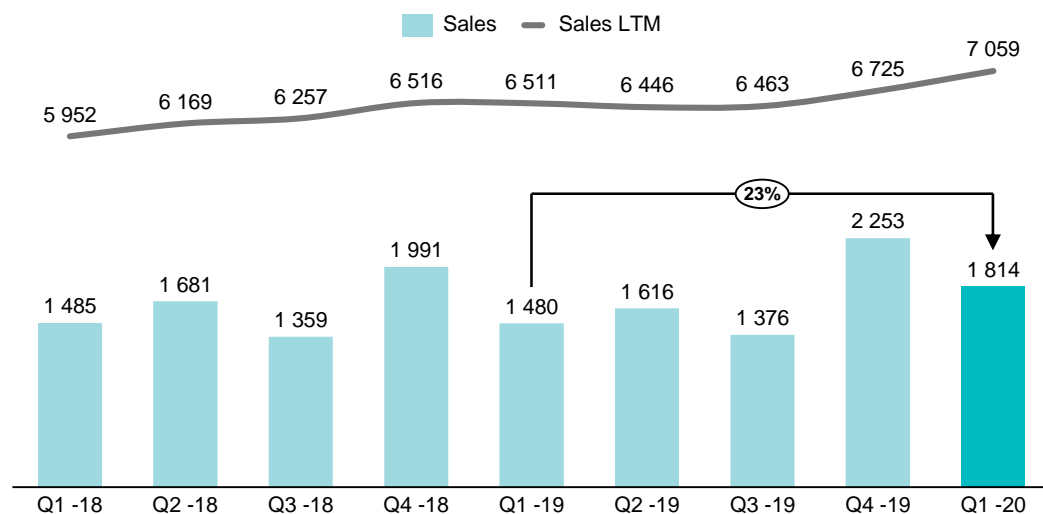
New organisation with increased focus on core markets

- The new organisation is a result of strategic work initiated in 2017 with a clear ambition to enhance the local ownership and allocate responsibilities out in the local markets
- Focus on efficiency, profitability, cost reduction and increased competitiveness
- Profitability is achieved by rationalising the selection of new projects to focus solely on profitable projects to ensure that the long-term profitability targets are met
- The new corporate governance model will utilise Serneke's entrepreneurial organisation further with local market know-how as top priority and with a focus to strengthen the central administration and streamline the organisation
- During 2019 and 2020, Serneke has attracted several key employees to the group that brings plenty of sector know-how as well as experience from top positions in large global corporates
- With the new organisation in place, Serneke will be able to utilize the **central support functions more efficient, reduce overhead costs** and **increase profitability**



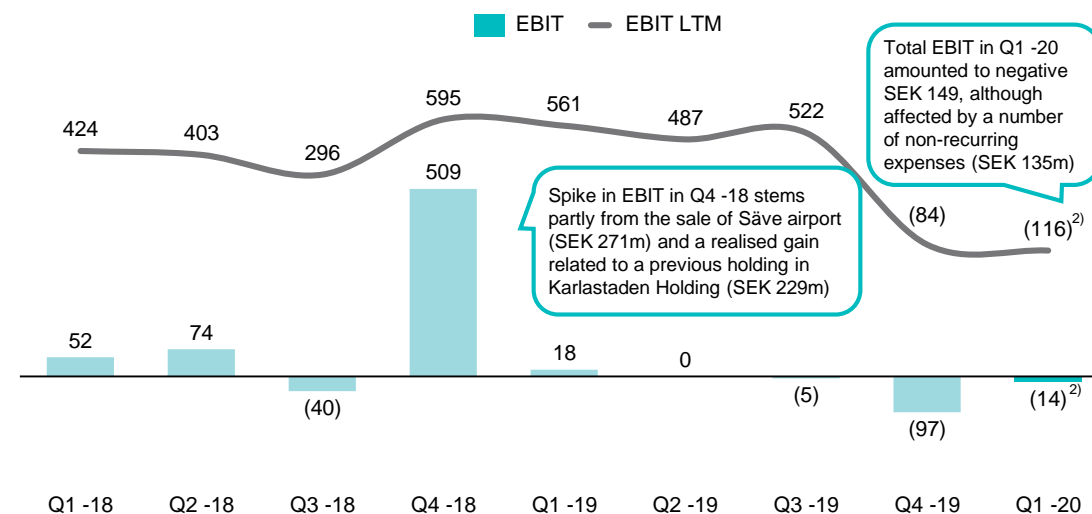
Financial update (1/2)

Sales development¹⁾



- Albeit seasonal effects and challenging market conditions, Serneke delivered strong growth in Q1 2020 compared to Q1 2019, and both Construction and Project Development, increased sales but the total increase was primarily driven by the sale of three tenant-owner apartment projects (SEK 390m)
- Operations are to some extent affected by seasonality. Serneke's Construction unit normally experience lower activity during the first quarter due to fewer number of production days and is to a greater extent affected by weather conditions during winter months

Profitability development

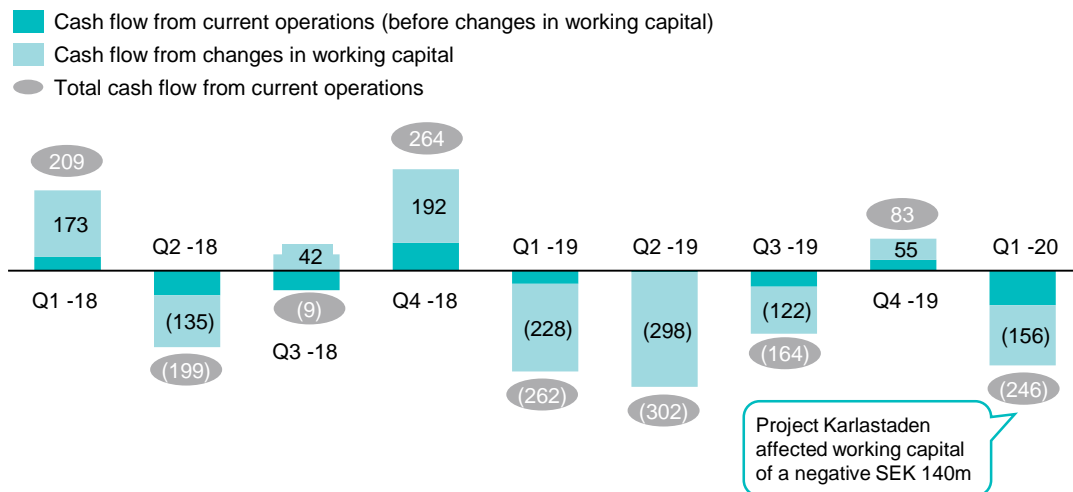


- EBIT for Q1 2020 amounted to SEK -149m and is to a high degree affected by several non-recurring expenses (approx. SEK 135m), such as the postponed signing of the final agreement between Serneke and Oaktree Capital Management regarding Karlartorner, which affected the period negatively with SEK 58m
- Further, the reorganisation currently taking place affected the period negatively with SEK 30m
- Transitions within the former business area Civil Engineering and Project Development entails additional one-off costs of SEK 25m and SEK 22m respectively

Notes: 1) Net of eliminations and Group-related expenses. 2) Adjusted for non-recurring one-off expenses of SEK 135m. Source: Company information

Financial update (2/2)

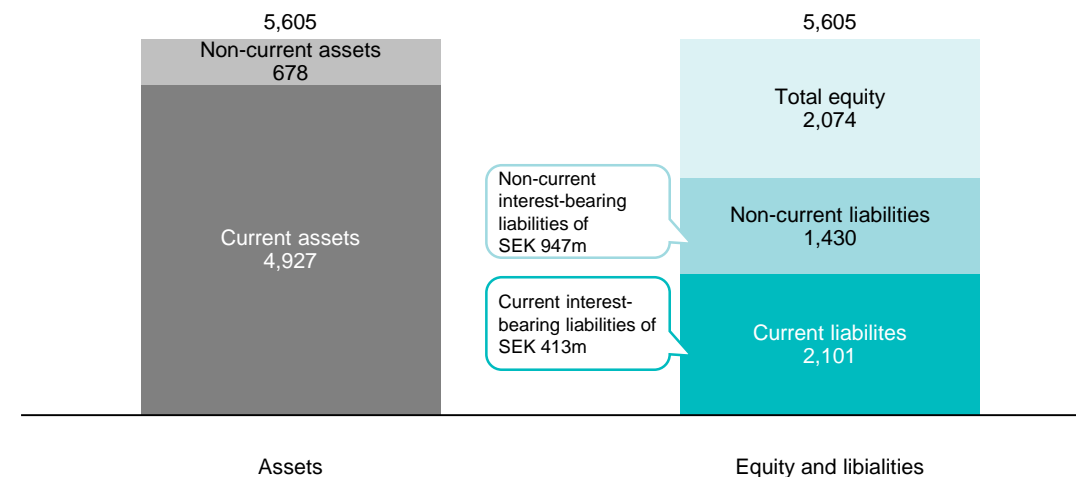
Cash flow development



- Cash flow from current operations amounted to SEK -246m (SEK -262m) in Q1 2020, of which cash flow from changes in working capital amounted to SEK -156m (SEK -228m)
- Cash flow from working capital was negatively affected by approx. SEK 140m in Q1 2020 related to investments in Project Karlastaden
- For the full year of 2019, tenant-owner apartment productions under the company's own management and investments in Project Karlastaden affected working capital negatively by SEK 484m

Source: Company information

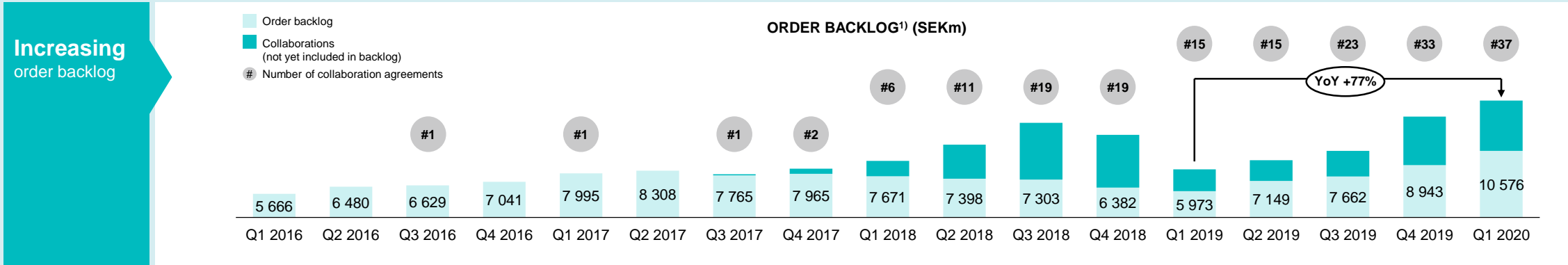
Financial position as of Q1 2020



- Gross interest-bearing debt by the end the period was SEK 1,360m and net interest-bearing debt was SEK 1,198m
- At the end of Q1 2020, consolidated cash and cash equivalents, including unutilised credit facilities, amounted to SEK 587 million (692)
- Equity/assets ratio by the end of the period was 37% (38%)

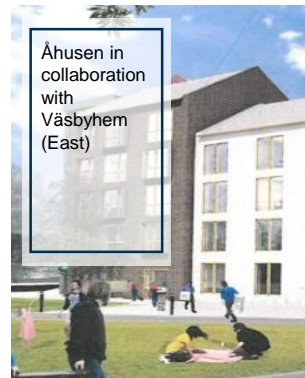
Good visibility in order backlog

Increasing order backlog while making sure there is a solid underlying profit margin



Growing share of collaboration agreements

RECENT EXAMPLE OF COLLABORATION AGREEMENTS WON

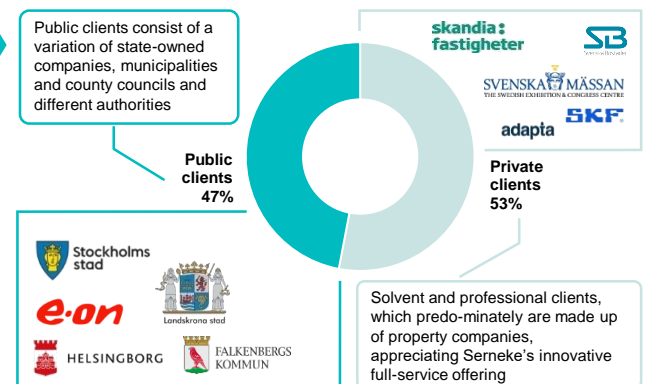


Why collaboration agreements?

- Customer and contractor working together closely throughout the project
- All parties have insight into the project finances
- More efficient processes
- Better insight and incentives for the construction company
- Collaborations enable larger projects for Serneke

Mitigating counter-party risk
based on carefully selected customers

A LARGE SHARE OF PUBLIC CLIENTS²⁾



Notes: 1) Project Development, including the Project Karlastaden, is not included in the order backlog. 2) As per Q1 2020

Project development

High transaction intensity to be expected with a maturing project portfolio

PROJECT DEVELOPMENT IN SERNEKE

- As part of the reorganisation, Serneke streamline Project Development with a more rationalised focus on entry/exit in development projects
- Cash flow generated from the construction business is used for development of land and properties for residential and commercial projects
- Conduct business within all stages of the development business, from land prospecting to development and sale
- Conservative approach with minimum 70 per cent of the project being sold before construction begins
- Conducted either sole or in collaboration with partner



CURRENT PORTFOLIO

- Active projects in all stages of the development phase from planning and construction to sale of projects
- Selective geographic approach – only develop on well-known markets with low risks. To date no condominium projects in Stockholm
- The portfolio consists of more than 865 thousand development rights of which approx 307 thousand is held on the balance sheet valued to SEK 3,049m (as per Q1 2020)
- 84 per cent of projects under construction are already sold

	# of building rights ('000)
In own Balance sheet	307,2
Owned through JVs or associates	55,7
Contracted not yet in possession	502,1
Total portfolio	865,0

TRANSACTION FOCUS GOING FORWARD

FOCUS ON REALISING ASSETS

- The Project Development portfolio is reaching a higher degree of maturity
- Focus on transactions – plan to realise assets in early stage



STREAMLINED ORGANISATION

- The new organisation will allow each project to be handled regionally with focus on high project turnover



INCREASE EFFICIENCY FOR EMPLOYED CAPITAL

- Prioritise and plan resource allocation
- Increase efficiency for development projects with low degree of maturity early on

Karlastaden and Karlatornet

A shift in traditional development in the Nordics

- Karlastaden will have a prime location at Lindholmen
- Significant size of 200,000 sqm
- Continued work with sales of remaining building rights of Karlastaden on the agenda for 2020
- Moderate book values cater for good prosperous sales opportunities

KARLATORNET – A PART OF KARLASTADEN

✓ **245 meter Nordic landmark**
The tallest building in the Nordic

✓ **+90%** subcontractor

✓ **80%** of apartments sold¹⁾

✓ **~35%** completed

✓ **20 year rental contract signed**

Note: 1) Contracts include binding agreements and credit control

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Recent development

- On 16 January 2020 an agreement was reached with Oaktree Capital Management on the divestment of 80 per cent of Karlatornet
 - Serneke to retain 20 per cent ownership stake and the role as main contractor
- Due to the uncertainties in the global financial markets caused by Covid-19, Oaktree Capital Management decided to postpone the completion of the transaction
- Serneke has taken immediate actions with the aim of ensuring a sustainable capital structure
- One of the top priorities for Serneke the time ahead is to get financing in place and as soon as possible restart the production of Karlastaden
- Immediate actions to minimize the activities in the project in order to reduce costs. The reduced activity has affected the Q1 result with a one off cost of SEK 58 million in the first quarter 2020

Strictly private and confidential

Karlastaden is a great example of a collaboration project evolved over several years, with balanced risk and potential



Covid-19 – Impact on Serneke and measures taken

1. IMPACT ON THE INDUSTRY

- The construction industry is not widely affected by the Covid-19 pandemic thus far
- However, impact on economies in the home markets and the financial markets, rising unemployment rates and lower investments may have a more significant affect on the markets over the next twelve months
- Furthermore, an impact on personnel with employees not able to work from home is unavoidable, but has not been recognised as a significant issue so far
- Regarding the value chain, the industry has seen limited disrupts so far but if the crisis continue this could lead to delayed deliveries and have a more direct impact

2. IMPACT ON SERNEKE IN PARTICULAR

- Affected by the Covid-19-crisis on a general level as any other business due to the travel restrictions, slowdown in the economy and affect on the financial markets, among other things
- In light of the market turmoil and as communicated on March 20th, 2020, the buyer of Karlatornet has decided to postpone the final signing of the agreement



3. SWIFT RESPONSES AND MEASURES TAKEN

- Serneke was quick to respond to the circumstances by;
 - i. Utilising the government introduced 'temporary layoffs' schemes by 100 people (no production critical staff was laid off)
 - ii. Introducing additional layoffs,
 - iii. Implemented substantial cost reductions, as well as
 - iv. Continuing with the efficiency program which will reduce the cost base going forward
- The timetable for the sale of Karlatornet has been postponed and measures to mitigate running costs have been implemented

4. STATUS TODAY

- Serneke is monitoring the affects of the Covid-19-outbreak on a daily basis and is actively working on measures to mitigate the impacts on the daily operations
- Ongoing productions are monitored even more closely and flexible with close dialogues with customers and suppliers

Focus areas in Serneke's development

Enhanced efficiency



- Enhanced cost efficiency and competitiveness
- More operationally aligned and consolidated organisation to increase agility/flexibility
- A stronger customer offering

Profitable projects



- Grow profitably – focus solely on profitable projects
- Attract and retain the right employees
- Conduct business in a disciplined manner

Transaction driven project development



- Strong local entrepreneurial anchorage
- Enhanced focus on projects characterised by strong marketing opportunities
- Improved control and follow-up of ongoing projects to increase turnover rate



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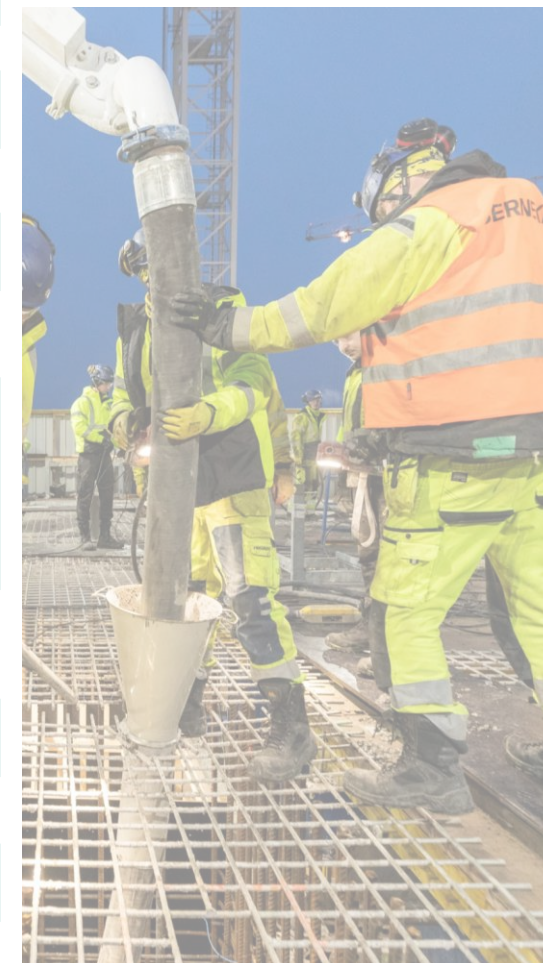
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Proposed amendments of the terms & conditions of the Senior Unsecured Bonds (1/2)

	Existing main terms and amendment points (teal)	Proposed amendments
ISSUER	SERNEKE Group AB (publ)	
NOMINAL AMOUNT OUTSTANDING	SEK 700m	
MANDATORY PARTIAL REPAYMENT	n/a	Partial mandatory repayment of SEK 200m at applicable call price no later than 1 June 2021
TENOR / MATURITY	3 years / 1 June 2021	Extend with 18 months, redemption at 104% at maturity
COUPON	3m STIBOR + 525bps	3m STIBOR + 825 bps and step down to STIBOR + 575 bps followed a SEK 200m mandatory repayment
COUPON STEP UP	n/a	300 bps step-up from WP being effective which steps down with 250 bps followed a Mandatory repayment of SEK 200m
FINANCIAL UNDERTAKINGS	<p>Maintenance covenants:</p> <p>a) Equity ratio of the Group exceeds 25%</p> <p>b) Availability of cash for the Group exceeds 5% of previous year's total sales</p> <p>Incurrence of additional permitted debt and restricted payments subject to the Incurrence Test:</p> <p>a) Equity ratio of the Group exceeds 30%</p>	<p>Maintenance covenants:</p> <p>a) Increase Consolidated Equity Ratio to exceed 30%</p> <p>b) Remove liquidity covenant, i.e. "Availability of cash for the Group exceeds 5% of previous year's total sales"</p> <p>Incurrence test removed as equity ratio of 30% needs to be maintained at all time</p>
OTHER UNDERTAKINGS	<p>a) Permitted secured/unsecured Debt: i.e. Working Capital Facility, Project Facility and Convertible Loans</p> <p>b) Permitted distributions: Up to 50% of the previous year's net profit, adjusted for any revaluation of assets/property, subject to Incurrence Test</p> <p>c) Nature of business, cross acceleration</p>	
CALL OPTION	NC for the first 18 months. Thereafter callable at par plus 50% / 30% / 10% / 0% – if refinanced by another market loan (18 / 24 / 30 / 33 months) of the interest rate margin	Call structure to step up after original maturity (1 June 2021) to new maturity date of 101, 102.5, 104
PUT OPTION	Investor put at 101% upon any person other than the Main Shareholder acquires / controls more than 50% of the shares or the bonds	
OTHER	No amendment in existing terms but certain clarifications around the Karlatornet Project and the possibility for a future divestment of the Project	Clarifications: "Projects", "Permitted Guarantees", "Permitted Securities" "Distributions" see next page
CONSENT FEE	n/a	1%
AGENT	Intertrust	



Proposed amendments of the terms & conditions of the Senior Unsecured Bonds (2/2)

	Reasoning	Proposed amendments
“PROJECTS”	Certain clarifications around Karlatornet as a Project and other JV's	“Project” means (i) the acquisition or the refinancing of an investment property (Sw. förvaltningsfastighet) (or a company holding an investment property), (ii) the acquisition of a real property or a real property company for the purpose of a subsequent development of residential buildings and/or other real estate, (iii) a construction and development of residential buildings and/or other real estate on a real property (as the case may be), (iv) for the avoidance of doubt, the Karlatornet Project and (v) other activities relating to (i), (ii), (iii) and (iv) in the ordinary course of business. (including, for the avoidance of doubt, such activities managed through Associated Entities)
“PERMITTED GUARANTEES”	Align wording	“Permitted Guarantees” means any guarantees issued by a Group Company in relation to Financial Indebtedness incurred in relation to a Project in the ordinary course of business (including, for the avoidance of doubt, Projects managed through Associated Entities), including but not limited to down-payment guarantees (Sw. insatsgarantier), rental guarantees (Sw. hyresgarantier), locking obligations (Sw. spärrförbindelser) and counter indemnities (Sw. motförbindelser) to insurance providers issuing performance bonds, or any other guarantees due to applicable changes in rules and regulations from time to time.
“PERMITTED SECURITY”	Clarification around Karlatornet project	(f) constituting (i) Permitted Guarantees, or (ii) constituting security provided by a Group Company in the ordinary course of business provided in relation to a Project Facility or otherwise related to a Project (including, for the avoidance of doubt, Projects managed through Associated Entities) (g) any security or similar arrangements provided by a Group Company over parking facilities and other property facilities ancillary to Karlatornet in connection with a disposal of the Karlatornet Project;
11.1 Distributions	Certain clarifications around Distributions for the Karlatornet project	(a) any Group Company (i) if such Restricted Payment is made to a Group Company or a Project Entity and, if made by or to a Subsidiary or a Project Entity which is not directly or indirectly wholly-owned by the Issuer, is made on a pro rata basis (or otherwise pursuant to an arm's length arrangement) or (ii) for the purpose of an investment in the Karlatornet Project or any security or guarantee provided by the Group in connection with the Karlatornet Project at arm's length terms (as confirmed by the board of directors of the Issuer)



Note: 1) For clarification purposes, a divestment of Karlatornet does not trigger an event of default

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4. **Risk factors**



Risk factors

Risk factors

The proposed amendments of the Terms and Conditions of the Bonds (the “Amendment Process”) and the Group’s business operations involves a number of risk factors that should be carefully reviewed by the bondholders before voting for or against the proposals in the Amendment Process. A number of risk factors and uncertainties may adversely affect the Group. If any of these risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely affected, which ultimately could affect the Company’s ability to make payments of interest and repayments of principal under the Terms and Conditions. In this section, a number of risk factors, both general risks pertaining to the Group’s business operations and material risks relating to the Amendment Process, are presented. The risks presented in this material are not exhaustive as other risks not known to the Company or risks arising in the future may also adversely affect the Group, the price of the Bonds and the Company’s ability to service its debt obligations. Further, the risk factors are not ranked in order of importance. Potential investors should consider carefully the information contained in this material and make an independent evaluation before voting in the Amendment Process.

Risks associated with the Group, the industry and the market

Risks related to COVID-19

Global pandemics having an adverse effect to the global economy create significant uncertainties in the financial markets. The pandemic spread of COVID-19 during 2020 has, at the date hereof, had an adverse impact on the economy in the business segments and the markets in which the Group operates, in particular in the property development segment. There is significant uncertainty regarding the duration and severity of the economic repercussions of the pandemic. Such repercussions will be pervasive across a large number of industries and are not limited to the Group. The spread of COVID-19, resulting in rigid government controls, including travel bans, quarantines, the closure of business and cancellations or restrictions of gatherings and events, implemented by governments around the world designed to contain the outbreak, has caused disruption to the general economic activity and the markets have entered a period of increased volatility. Market turmoil and investor uncertainty about the effects of the spread of COVID-19 on the financial markets have led to substantial and general negative market performance. The spread of COVID-19 is expected to have a significant impact on the global economy, at least in the first half of 2020, and is likely to affect the Group’s access to financing and financial performance, resulting in an adverse impact on the results of operations. The COVID-19 pandemic may also result in disruption to the Group’s suppliers and result in increased unavailability of staff, which could have a material adverse impact on the quality and continuity of the Groups products and service and the reputation of the Group.

The Company has identified the following risk factors that are particular to the Group’s operations and that will or may be exacerbated by the adverse economic effects arising from the COVID-19 outbreak: (i) availability and cost of capital, and ability to refinance, (ii) the ability to obtain financing for Karlatornet (as defined below) at favourable terms or at all and (iii) interruptions to, or terminations of, strategic partnerships and/or construction projects.

The extent of the adverse impact of the pandemic on the global economy and markets will depend, in part, on the length and severity of the measures taken to limit the spread of the virus and, in part, on the size and effectiveness of the compensating measures taken by governments. The Company is closely monitoring the effects of the COVID-19 spread and its potential effects and impact on the Group’s operations, businesses and financial performance, including liquidity and capital usage, though the extent is difficult to fully predict at this time due to the rapid development of this uncertain situation. Each such risk described above could have a material negative impact on the Group’s operations, earnings and financial position. Each investor should have regard to the overarching heightened risk in regards to the Amendment Process and the Bonds due to the ongoing pandemic when reviewing this material or evaluating the Amendment Process.

Risks relating to Karlatornet

The Group is currently conducting construction, development and investments of the urban development project Karlastaden, a new district in the expansive area of Lindholmen, Gothenburg, which is the largest ongoing project of the Group comprising the construction of new housing, business offices, commerce, schools and health care centres. This also includes the construction of the tower Karlatornet which will be the tallest residential building in Scandinavia and Gothenburg’s first skyscraper standing at 245 metres (“**Karlatornet**”). It is the Group’s assessment that the Karlatornet project requires of a total investment of SEK 5 billion, including investments already made, in order to complete the construction of Karlatornet.

The proposed amended Terms and Conditions for the Bonds permit that the Group provides any security or similar arrangements over parking facilities and other property facilities ancillary to Karlatornet in connection with a disposal of the Karlatornet project. Should any such security or similar arrangements be enforced by any reason, it could result in a value decrease in the whole development project Karlastaden, as such parking facilities and other property facilities to a certain extent is common facilities for the Group’s other projects in Karlastaden, and have an adverse effect on the Group’s consolidated assets, financial position and the Holder’s potential recovery under the Bonds.

As communicated by the Company on 16 January 2020, an agreement was reached with Oaktree Capital Management on the divestment of 80 per cent. of Karlatornet in order to obtain the outstanding financing required for the project, while retaining 20 per cent. ownership stake and the role as main contractor for the Karlatornet project.

However, due to the uncertainties in the global financial markets caused by COVID-19 (as further described in section “*Risks related to COVID-19*” above), in March 2020 Oaktree Capital Management decided to postpone the completion of the transaction. The postponed sale of the majority interest in Karlatornet entails strains on the Group’s capital structure. As of 31 December 2019, the Group’s cash flow from operating activities amounted to an outflow of SEK 645 million (compared with an inflow of SEK 265 million in 2018), and this change is mainly attributable to the Group’s own management and investments in Karlastaden and Karlatornet, of a negative SEK 484 million.

The Group has taken immediate actions with the aim of ensuring a sustainable capital structure including dialogs with its main bank regarding an increase in the credit facility to handle the short-term financing need and also actions to minimize the activities in the project in order to reduce costs. In addition to this, conversations are being held with selected advisers to plan well in advance for a new share issue if necessary.

The Company is closely monitoring the development of Karlatornet and any potential effects and impact on the Group’s operations, businesses and financial performance, including liquidity and capital usage. Should the Group be unable to divest its ownership in Karlatornet in a foreseeable future, due to COVID-19 or otherwise, and consequently not be able to reduce costs or obtain a favourable capital structure, or not receive necessary financing for the continuance of the project, it would have a material negative impact on the Group’s operations, earnings and financial position and may also result in negative publicity for the Group.

Risk factors

Capital structure and financial risks

The Group's growth strategy encompasses organic growth and growth through acquisitions in order to establish a position as a leading construction company, which makes the Group dependent on good access to financing. The Group's ability to maintain a sound capital structure and financial stability is the basis for further development of the Group's business and the Group's ability to retain and attract investors, other providers of credit and customers.

The Group's external financing consist of the Bonds in the amount of SEK 700 million within a framework of SEK 1,000 million maturing in 2021, credit facilities within total commitments of SEK 665 million, of which SEK 190 million was utilized as of 31 March 2020, including the SEK 500 million committed credit facility with Nordea maturing on 31 December 2020 and with an non-committed extension option of two years, of which SEK 70 million regarding bank guarantees was utilized as of 31 March 2020. The average interest rate for the Group's bank loans is 2.55 per cent.

The credit facility agreement runs with two covenants that mean that the Group must have an equity/assets ratio of at least 25 per cent. and that the Group must have net debt in relation to EBITDA of maximum 2.5 times. As of 31 December 2019, an equity/assets ratio of 38 per cent. and a negative net debt/EBITDA were reported. Due to a negative net debt/EBITDA ratio, the creditor provided consent to grant an exemption for the financial commitment in the credit facility agreement for the reference date 31 December 2019. This consent applies until the next reference date that falls on 30 June 2020. The credit facility agreement matures on 31 December 2020.

Should the Group fail to maintain an adequate capital structure or fail to comply with financial covenants or other obligations under the existing financing, there is a risk that the Group will not have the financial resources required in order to be able to implement its acquisitions strategy or large projects, which could have a material negative impact on the Group's operations, earnings and financial position.

Liquidity risks

The Group's payment obligations mainly consist of costs for construction material, sub-contractors and personnel costs. The Group's ability to access liquidity is dependent on external loans. The decision to postpone the final contract signing of the divestment of Karlatornet (see further under section "*Risk relating Karlatornet*" above) combined with the special challenges caused by the COVID-19 pandemic (as set forth under section "*Risks related to COVID-19*" above), has resulted in strains on the Group's capital structure. A long-term sustainable capital structure is a prerequisite for continued operations and in order for both the Company and Group to fulfil their obligations in both the short and long terms. The Board of Directors of the Company has therefore initiated an action program with the aim of ensuring a sustainable capital structure. The Company holds a dialog with its main bank regarding an increase in the credit facility to handle the short-term liquidity need. Also, as a consequence of the deferred sale of Karlatornet, immediate actions are taken to minimize the activities in the project. A review of the Group's project portfolio is under way with the aim of reducing tied-up capital and to free up liquidity. The Company aims to reorganize the Group in order to reduce costs by SEK 200 million *per annum* in the Group's core business and thereby improve the business' cash flow. In addition to this, conversations are being held with selected advisers to plan well in advance for a new share issue if necessary. If the Group fails to limit the activities regarding the Karlatornet project, reduce overall costs, increase credit facility to handle the short-term liquidity need and/or if the Group's liquidity sources prove to be insufficient in order for the Group to meet its payment obligations, this would have a material negative impact on the Group's operations, earnings and financial position.

Interest rate risk

The Group's business is, in addition to equity, financed by interest bearing loans from credit institutions and the Bonds. The interest rate for such indebtedness is derived from benchmarks, in particular STIBOR. Hence, the Group's interest expenses are affected by the market interest rates, in particular STIBOR, and the margins required by credit institutions. The Group's future financial expenses are affected as detailed below by changes in the borrowing rate and by factors outside the Group's control and could affect the Group negatively. For example, calculated on basis of the financial year ended 31 December 2019, if the borrowing base rate would increase with 1.00 per cent., the financial expenses would increase with approximately SEK 16 million. If the borrowing base rate would increase with 3.00 per cent. for the same period, the financial expenses would increase with approximately SEK 47 million. Increased interest rates and financial expenses would have a material negative impact on the Group's operations, earnings and financial position.

Credit and counterparty risks

The Group's exposure to credit risk is primarily attributable to accounts receivable. As of 31 December 2019, the Group's total gross accounts receivables amounted to SEK 826 million. Hence, the Group is exposed to the risk that its counterparties are unable to meet their obligations to pay the contractually agreed rent, purchase consideration or otherwise fulfil their obligations. Global uncertainties and uncertainties on the financial markets may cause that the Group's customers, suppliers or subcontractors encounter financial difficulties, which mean they can no longer fulfil existing undertakings, pay the contractually agreed rents on time or fulfil other obligations causing planned investments to be delayed or difficulties for the Group. The Group may also suffer losses due to such events. Should the Group wrongfully assess the financial situation of such customers and fail to identify warning signs at an early stage, it could affect the Group negatively. If any of the above risks materialise, this could have a material negative impact on the Group's operations, earnings and financial position.

Increased costs

There is a risk that the price on inputs and services increase faster than the gains generated by the Group's operations and that this, in the short term, cannot be compensated by the Group increasing its prices. The risk that costs increase faster than the earnings is mostly relevant in relation to costs for material, subcontractors and salaries. The risk for increased unplanned costs varies depending on the terms for the contracted work. In relation to fixed price constructions (Sw. *fastprisentreprenader*), there is a risk of faulty calculations underlying the tender. Also, there is a risk that increased prices for materials decrease the profitability of a project without the possibility to receive compensation from the customer. This risk is particularly significant in relation to projects with a long term duration where the Group has undertaken to deliver the project at a fixed price.

In addition, lack of personnel and lack of certain inputs could affect the Group's business negatively since this tends to increase the price for such goods and services. If one or several of the above factors would develop negatively or if any of the described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

Risk factors

Risks related to the project development business

One of the Group's main business areas is property development. As of 31 December 2019, the aggregate property value of all ongoing property development projects was SEK 3,274 million. Development of properties through in-house projects and together with the Group's partners within the fields of residential as well as commercial real estate development implies, besides construction risks (when relevant), also development, transaction related and value related risks. If these risks materialise it could lead to increased customer credit and losses.

All phases of a project are associated with risks. Macroeconomic factors such as employment rate, interest rates and expectations on the development of real estate prices could affect the end-customers' willingness and desire to acquire property, as well as the value of the Group's project properties. Development of projects and properties is associated with *inter alia* the following risks:

- The risk that financing in relation to a project cannot be obtained at all or only on for the Group disadvantageous terms.
- The risk that the Group is not able to obtain necessary decisions from authorities or permits for new productions, renovations or changed usage of acquired properties, or that such decisions or permits are delayed. In joint ventures and other collaborations, the Company and its partners may not share risks equally. Also, a partner may be entitled to terminate a joint venture agreement if a project does not develop as the parties have expected.
- The risk that a geographical area does not develop as expected, resulting in an illiquid market, decline in expected property values and lower profitability or loss of income.
- The risk that the real estate market develops negatively during a project, which may render the properties difficult or impossible to sell, which may, in turn, lead to lower profitability in or negative returns from the project and/or increased customer credit exposure and/or a decline of property values.
- If any of the above described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

Risks related to the tender process or project implementation

The Company is dependent on a successful tender process. A material portion of the Group's business are attended from public tender processes. In particular, the Company is dependent on maintaining a selective tender policy in order not to commit to projects with too high risk or a too low profit margin, which is of particular importance in a declining market where it may be tempting to commit to projects with low margins or high risk in order to maintain business. The Company is also dependent on a selective tender policy in a growing market, since too large project volumes may lead to a lack of internal and/or external resources which may in turn lead to poor results, insufficient internal control or increased costs. There is a risk that tenders are not sufficiently well prepared or based on wrongly assessed calculations which could lead to poor implementation of a project or that a project is not awarded. In the event that awards, building permits or other necessary decisions by public authorities in favour of the Group are appealed, this could cause delays, or that such award or decision is not granted, which could negatively impact the implementation of a project. During the project implementation phase, there is a risk that a misjudgement with respect to project planning or mismanagement of projects leads to delays, negative publicity, increased costs and/or insufficient quality, including construction faults. If one or several of the above factors related to the tender process or the project implementation would develop negatively or if any of the described risks would materialise, it could have a material negative impact on the Group's operations, earnings and financial position.

Risks related to pre-agreements

A construction of a property project is normally not initiated unless relevant apartments, houses, commercial and public real estate (as applicable) have, to a certain extent, been sold in the form of binding pre-agreements (Sw. *förhandsavtal*) in accordance with the Housing Cooperative Act (Sw. *Bostadsrättslag (1991:614)*) and the customer has paid a deposit. If the terms of a pre-agreement do not comply with the requirements set out in the Housing Cooperative Act, there is a risk that such pre-agreement could be challenged in court and deemed by the court to be invalid. Moreover, there is also a risk that pre-agreements are deemed to be invalid if the date of assignment (Sw. *upplåte/le*) deviates significantly from the date of possession (Sw. *inlämning*) to the relevant apartment, house, commercial and public real estate (as applicable) or if these dates, set out in the pre-agreements, are set out as floating dates with an interval. Should such pre-agreements be challenged and deemed to be unlawful and/or unreasonable and therefore invalid, it could have a material negative impact on the Group's operations, earnings and financial position. Furthermore, there is a risk that customers will not pay for the acquired apartments, houses, commercial and public real estate (as applicable) if the validity of the pre-agreement has been challenged at the date of assignment. There is also a risk that the pre-agreement, even if binding, is terminated by the purchaser due to *inter alia* delays in the constructions with, as a consequence, delayed access or due to that the statement of cost provided to customers turns out to be incorrect or more expensive than initially calculated. If the pre-agreement is terminated by the customer, or if the pre-agreement is challenged and deemed by the court to be invalid, there is a risk that the housing company, and ultimately that the Group (please also see the risk factor "*Performance guarantees*" below), has to repay the prepaid deposit including interest and suffers loss of income and incurs additional costs due to vacancies and unsold apartments, houses, commercial and public real estate (as applicable). If any of these risks would materialise it could have a material negative impact on the Group's operations, earnings and financial position.

Disputes

The Group operates in a business in which disputes with customers as well as subcontractors frequently occur. In connection with a dispute, a fair assessment of the commitments and responsibilities as well as the probability of the outcome is made by the Issuer and reflected in the financial statements as a risk-weighted contingent liability. However, the Issuer's assessment is based on the Issuer's current information and knowledge and the final outcome may deviate significantly and adversely from the Issuer's assessment and the reported liabilities may not reflect the actual liabilities. The Group are currently involved in two disputes with material importance to the Group. One dispute has a total claim towards the Group of SEK 30.8 million, whereby the Group has made a provision in the accounts with approximately SEK 14 million, and one dispute in which the Group's claim amounts to SEK 56 million, whereby impairment has been made for SEK 45 million. Large and complicated disputes may be time consuming, costly and demanding and may cause harm to the Group's reputation and disrupt the Group's ordinary business and consequently have a material negative impact on the Group's operations, earnings and financial position.

Risk factors

Performance guarantees

The Group is in the ordinary course of its business required to provide performance guarantees (Sw. *fullgörandegarantier*) in connection with construction works. For example, such guarantees may be provided in relation to housing companies which could as a consequence lead to that the Group has to purchase unsold apartments, houses, commercial and public real estate (as applicable) and/or pay for any costs attributable to the housing companies. As of 31 December 2019, performance guarantees for constructing works in an aggregate amount of SEK 1,449 million was outstanding. If any such guarantee claims are directed against the Group, which the Group is liable for, it could have a material negative impact on the Group's operations, earnings and financial position.

Environmental risks and related regulatory risks

The Group is subject to extensive environmental, health and safety legislation and regulations relating to the Group's constructions, residential development and acquisition, ownership, possession and management of properties. For example, the Swedish Environmental Code (Sw. *miljöbalken (1998:808)*) specifies that a party that conducted operations contributing to pollution is also responsible for decontamination. If no such party is able to carry out or pay for the decontamination, the liability is to be borne by the party that acquired the property after 1998, provided that such party, at the time of the acquisition, was aware of such contamination or should have discovered it. The Group is subject to additional regulations concerning for example constructing material, working environment and occupational safety, the handling of asbestos and decontamination, and may become subject to additional similar regulations in the future. Failure to comply with such legislation and regulations may result in the Swedish authorities issuing enforcement actions, imposing fees or fines, and may in certain cases even result in restrictions on the Group's operations that may be significant. In addition, pollution burdens may be discovered on properties and in buildings, in particular during conversion processes or during the process of constructing buildings or converting of buildings for residential purposes. For example, prior to reaching an agreement with Castellum on 23 December 2019 regarding the remaining purchase consideration in the Sävö Airport deal, the Group was responsible for the decontamination of pollutants in the area on and surrounding Sävö Airport. Actions related to such pollution are part of the Group's ongoing operations and may have a material negative impact on the Group's operations, earnings and financial position.

Risks related to the Amendment Process

Extension of maturity and deletion of covenants in the Terms and Conditions

Even though the Holders vote in favour of the Amendment Process, there can be no assurance that the Group will be able to comply with the amended Terms and Conditions and to continue to service its debt obligations under the Bonds. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Group's ability to comply with the amended Terms and Conditions and events may occur during the extended maturity of the Bonds which affects the Group negatively.

The extension of the maturity of the Bonds entails an extended period of credit risk vis-à-vis the Issuer and the Group for the Holders and there can be no assurance that no material adverse circumstances will arise between the original maturity date and the extended maturity date or that the Group will be able to refinance the Bonds at the extended maturity. The Group's ability to successfully refinance the Bonds is dependent on the conditions of the capital markets and its financial condition at such time. The Group's may not have adequate access to sufficient financing sources, or at all, at such time. The Group's inability to refinance its debt obligations would have a material adverse effect on the Holders' recovery under the Bonds.

The deletion of the liquidity covenant (pursuant to Clause 11.9 (*Maintenance Test*) of the Terms and Conditions, stating that the Company shall ensure that the ratio of Available Cash to Total Sales exceeds five (5.00) per cent. (each term as defined in the Terms and Conditions) enables the Group to have less available cash which in turn could result in a shortage of necessary liquidity for the Group's operations and negatively affect its ability to service its debt obligations under the Bonds. If the Group does not maintain a buffer for unforeseen events or does not have the necessary liquidity for its business operations, it could have a material adverse effect on the Group's business, financial condition and results of operations and on the Holders' recovery under the Bonds.

Risk relating to guarantees and security

The proposed amended Terms and Conditions for the Bonds permit that the Group provides any guarantees and/or security in relation to financial indebtedness incurred in the ordinary course of business in relation to a Project, including any Project managed through an entity in respect of which a Group Company directly or indirectly owns, or has direct or indirect control over, 20 per cent. or more of the share capital or other right of ownership (each term as defined in the Terms and Conditions). Such entity will also not be under the Group's sole control and actions taken by other co-owners in such entity could result in an event where the provided guarantees and security are enforced. Should any such guarantees and security be enforced by any reason, it could have an adverse effect on the Group's consolidated assets, financial position and the Holder's potential recovery under the Bonds.

Risk relating to the removal of the incurrence test

The existing Terms and Conditions stipulate that the Consolidated Equity Ratio of the Group must be 30 per cent. immediately following an issue of Subsequent Bonds or certain Restricted Payments. The removal of the Incurrence Test for such transactions in the proposed amended Terms and Conditions means that such transactions are only subject to the Maintenance Test, which is only tested quarterly and not in connection with the incurrence of such new Financial Indebtedness or Restricted Payment. Hence, any such transaction which would have been restricted by the Incurrence Test may not give rise to an Event of Default until a subsequent Maintenance Test is made, which could have an adverse effect on the Holder's potential recovery under the Bonds.

Holders' meetings

The Terms and Conditions allow for stated majorities of Holders to bind all Holders, including Holders who have not taken part in the relevant bondholders' meeting or written procedure and those who have voted contrarily to the majority vote. Consequently, the actions of the majority in the Amendment Process could impact a Holder's rights in a manner that would be undesirable from such Holder's perspective.

Tax risks

Both the applicable tax law in the Holder's country of domicile as well as the country where the Company is registered or has its domicile affects taxation on any consent fee or other remuneration in connection with the Amendment Process. This Material does not discuss the tax consequences for Holders arising from the receipt by Holders of such consent fee or other remuneration. Holders (as well as any nominees for any Holder) are liable for their own taxes and have no recourse (whether by way of reimbursement, indemnity or otherwise) to the Company, any adviser or arrangers to the Company, any of their respective directors, employees or affiliates, or any other person with respect to taxes arising out of or in connection with the Amendment Process. Each Holder should consult its own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to them and the receipt of any consent fee or other remuneration in connection with the Amendment Process.

SERNEKE®

SCHEDULE 4

PROPOSED AMENDED AND RESTATED TERMS AND CONDITIONS

AMENDED AND RESTATED
TERMS AND CONDITIONS FOR
SERNEKE

SERNEKE GROUP AB (PUBL)

MAXIMUM SEK 1,000,000,000
SENIOR UNSECURED CALLABLE FLOATING RATE
~~BONDS 2018/2021~~ BONDS 2018/2022

ISIN: SE0011256338

First Issue Date: 1 June 2018

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

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

PRIVACY STATEMENT

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

The personal data collected will be processed by the Issuer, the Agent and the Issuing Agent for the following purposes (i) to exercise their respective rights and fulfil their respective obligations under the Finance Documents, (ii) to manage the administration of the Bonds and payments under the Bonds, (iii) to enable the Holders to exercise their rights under the Finance Documents and (iv) to comply with its obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent and the Issuing Agent in relation to items (i) to (iii) above 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 (iv), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Agent or the Issuing Agent (as applicable). 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 or the Issuing Agent (as applicable). In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format.

Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Agent's and the Issuing Agent's addresses, and the contact details for their respective data protection officers (if applicable), are found on their respective websites: www.serneke.se, www.intertrustgroup.com and www.dnb.no.

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**TERMS AND CONDITIONS FOR
SERNEKE GROUP AB (PUBL)
MAXIMUM SEK 1,000,000,000
SENIOR UNSECURED CALLABLE FLOATING RATE
BONDS ~~2018/2021~~2018/2022
ISIN: SE0011256338**

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 Central Securities Depositories and Financial Instruments Accounts Act and through which a Holder has opened a Securities Account in respect of its Bonds.

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

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

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

“**Agent**” means the Holders’ agent under these Terms and Conditions from time to time; initially Intertrust (Sweden) AB, reg. no. 556625-5476, Sveavägen 9, P.O. Box 162 85, SE-103 25 Stockholm, Sweden.

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

~~“Available Cash” means unpledged and freely available cash (including available but undrawn amounts under any credit facilities) and cash equivalents in accordance with the Accounting Principles as set out in the latest Financial Report.~~

“Associated Entity” means each entity in respect of which a Group Company from time to time directly or indirectly owns, or has direct or indirect control over, twenty (20) per cent. or more of the share capital or other right of ownership.

“Bond” means a debt instrument (Sw. *skuldförbindelse*), for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions.

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

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

“Call Option Price” means:

- (a) ~~One one~~ hundred and two point six hundred and twenty-five (102.625) per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but excluding) the date falling twenty four (24) months after the First Issue Date;
- (b) ~~One one~~ hundred and one point five hundred and seventy-five (101.575) per cent. of the Nominal Amount if the call option is exercised on or after the date falling twenty four (24) months after the First Issue Date up to (but excluding) the date falling thirty (30) months after the First Issue Date;
- (c) ~~One one~~ hundred point five hundred and twenty-five (100.525) per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty (30) months after the First Issue Date up to (but excluding) the Original Final Redemption Date;~~or~~
- (d) one hundred (100.00) per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty-three (33) months after the First Issue Date up to (but excluding) the Original Final Redemption Date provided that such early redemption is financed in full or in part by way of the Issuer issuing Market Loan(s);~~;~~
- (e) one hundred (100.00) per cent. of the Nominal Amount if the call option is exercised on the Original Final Redemption Date;
- (f) one hundred and one (101.00) per cent. of the Nominal Amount if the call option is exercised after the Original Final Redemption Date up to (but excluding) the date falling six (6) months after the Original Final Redemption Date;

(g) one hundred and two point five (102.50) per cent. of the Nominal Amount if the call option is exercised on or after the date falling six (6) months after the Original Final Redemption Date up to (but excluding) the date falling twelve (12) months after the Original Final Redemption Date; or

(h) one hundred and four (104.00) per cent. of the Nominal Amount if the call option is exercised on or after the date falling twelve (12) months after the Original Final Redemption Date up to (but excluding) the Final Redemption Date.

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

“**Change of Control Event**” means the occurrence of an event or series of events after the First Issue Date whereby one or more Persons (not being the Main Shareholder) acting together, acquire control over the Issuer and where “**control**” means (i) acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the votes of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, in the form set out in Schedule 1, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or imminent, or if it is aware that such event is continuing or imminent, specifying the event and steps, if any, being taken to remedy it and ~~if~~ if provided in connection with a Financial Report being made available, that the Maintenance Test is met as per the last date of the quarter to which the Compliance Certificate refers to, including calculations and figures in respect of the Maintenance Test; ~~or~~ and

~~(b) if provided in connection with the incurrence of new Financial Indebtedness (including any Subsequent Bond Issue) or a Restricted Payment being made, which requires that the Incurrence Test is met, that the Incurrence Test is met, including calculations and figures in respect of the Incurrence Test, calculated *pro forma* including the relevant Financial Indebtedness or Restricted Payment (as applicable).~~

“**Consolidated Equity Ratio**” means the consolidated equity ratio (Sw. *soliditet*) of the Group as set out in the latest Financial Report, ~~and in relation to the Incurrence Test to be calculated *pro forma*, including the relevant Financial Indebtedness or Restricted Payment (as applicable).~~ When calculating the Consolidated Equity Ratio, the market value of the Properties may not exceed the market value of the Properties according to the latest Valuation Report.

“**Convertible Loans**” means (i) the convertible loan of series 2017/2020 issued by the Issuer with a nominal amount of SEK 20,000,000, entitling the holders to receive newly issued ordinary class B shares (Sw. *stamaktier av serie B*) within the exercise period ending on 25 August 2020, and (ii) the convertible loan of series 2016/2019 issued by the Issuer with a nominal amount of SEK 15,882,000, entitling the holders to receive newly issued ordinary

class B shares within the exercise period ending on 26 August 2019, both of which have been incurred under an employee incentive programme.

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

“**De-listing Event**” means a situation where (i) the Issuer’s ordinary shares are no longer listed and admitted to trading on Nasdaq Stockholm or any other Regulated Market, (ii) trading of the Issuer’s listed ordinary shares on the aforementioned stock exchange is suspended for a period of fifteen (15) consecutive Business Days, or (iii) once the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market, that the Bonds are no longer listed thereon (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market, as applicable, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).

“**Employee Ownership Program**” means any employee ownership program approved by the general meeting of the Issuer, whereby the Issuer has an obligation to deliver matching shares and/or performance shares to participating employees under the program and where the Issuer’s obligations are secured by the Issuer repurchasing own Class B shares (subject to the board of directors being authorised by the general meeting of the Issuer to resolve to repurchase such Class B shares) which may subsequently be transferred free of charge to participants in the program or applied towards hedging of costs of the Issuer, mainly social security contributions, attributable to such program.

“**Existing Bonds**” means the outstanding senior unsecured callable floating rate bonds 2016/2019 with ISIN SE0008992184, issued by the Issuer for the bondholders thereunder of maximum SEK 500,000,000, of which SEK 300,000,000 are currently outstanding, which shall be redeemed, or repurchased and cancelled, in full in accordance with the Purpose of the Bonds.

“**Event of Default**” means an event or circumstance specified in Clause 12.1.

“**Final Redemption Date**” means 1 ~~June 2021~~[December 2022](#).

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the Accounting Principles as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases;

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- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
 - (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
 - (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
 - (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
 - (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)–(f).

“Financial Report” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to Clause 11.13.1 (a)–(b).

“First Call Date” means the date falling eighteen (18) months after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“First Issue Date” means 1 June 2018.

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

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

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

“Holders’ Meeting” means a meeting among the Holders held in accordance with Clause 15 (*Holders’ Meeting*).

~~**“Incurrence Test”** is met if the Consolidated Equity Ratio exceeds thirty (30.00) per cent.~~

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

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

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

“Interest” means the interest on the Bonds calculated in accordance with Clauses ~~9.1–9.3~~ 9.1–9.5.

“**Interest Payment Date**” means 1 March, 1 June, 1 September and 1 December each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 3 September 2018 (following from an application of the Business Day Convention) and the last Interest Payment Date being the Final Redemption Date (or any final redemption date prior thereto)).

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

“**Interest Rate**” means a floating rate of STIBOR (3 months) ~~+ five hundred and twenty five (525) basis points per annum~~ plus the Margin.

“**Issuer**” means Serneke Group AB (publ), reg. no. 556669-4153, Kvarnbergsgatan 2, SE-411 05 Göteborg, Sweden.

“**Issuing Agent**” means DNB Markets, a part of DNB Bank ASA, filial Sverige reg.no. 516406-0161, Regeringsgatan 59, SE-105 88 Stockholm, Sweden, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Karlatornet Project**” means the Group’s construction, development and investments in Karlatornet, located in Karlastaden, Gothenburg, and the disposal of Karlatornet in part or in full to third parties on arm’s length terms and other activities relating to the construction, development, investment and disposal of Karlatornet.

“**Listing Failure Event**” means the situation where the Initial Bonds have not been admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days from the First Issue Date.

“**Main Shareholder**” means Ola Serneke Invest AB, reg. no 556659-5764, or its Affiliates.

“**Maintenance Test**” is met if at any time ~~the Consolidated Equity Ratio exceeds twenty-five (25.00) per cent. and;~~ thirty (30.00) per cent.

“**Margin**” means, subject to any step-down pursuant to Clause 9.5, eight hundred and twenty-five (825) basis points per annum.

~~(b) the ratio of Available Cash to Total Sales exceeds five (5.00) per cent.~~

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

“**Material Adverse Effect**” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability or willingness

to perform and comply with its payment obligations and other undertakings under these Terms and Conditions or (iii) the validity or enforceability of these Terms and Conditions.

“**Material Group Company**” means the Issuer or a Subsidiary representing more than five (5.00) per cent. of either (i) the total assets of the Group on a consolidated basis (for the avoidance of doubt, excluding any intra-group transactions) or (ii) the net profit of the Group according to the latest consolidated Financial Report.

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

“**Net Proceeds**” means the proceeds from the Initial Bond Issue which, after deduction has been made for the transaction costs payable by the Issuer to the joint bookrunners for the services provided in relation to the placement and issuance of the Initial Bonds, shall be transferred to the Issuer and used in accordance with Clause 4 (*Use of proceeds*).

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

“**Nominal Amount**” means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which that Bond has been prepaid in part pursuant to Clause 10.5 (*Mandatory partial prepayment*).

“**Original Final Redemption Date**” means 1 June 2021.

“**Permitted Basket**” has the meaning set forth in paragraph (o) of the definition of Permitted Debt.

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

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

- (a) incurred under the Bonds including pursuant to any Subsequent Bond Issue, ~~always provided that the Incurrence Test is met (calculated *pro forma* including the Subsequent Bond Issue)~~;
- (b) 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;
- (c) incurred under the Existing Bonds, provided that such Existing Bonds are redeemed, or repurchased and cancelled, in full in accordance with the Purpose of the Bonds;
- (d) taken up from a Group Company;

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- (e) incurred under the Convertible Loans;
 - (f) related to any agreements under which a Group Company leases office space (Sw. *kontorshyresavtal*) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company's business;
 - (g) arising under a foreign exchange transaction or commodity derivatives for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
 - (h) arising under any interest rate hedging transactions in the ordinary course of business or in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
 - (i) incurred under Advance Purchase Agreements;
 - (j) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holds indebtedness, however should such indebtedness not be permitted by paragraphs (a)–(i) above or paragraphs (k)–(o) below, such indebtedness must be unwound within sixty (60) calendar days from the date of completion of the relevant acquisition;
 - (k) incurred by a Group Company under any Project Facility;
 - (l) incurred by the Issuer if such Financial Indebtedness (i) ranks *pari passu* or is subordinated to the obligations of the Issuer under these Terms and Conditions, ~~and~~ (ii) has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date ~~and (iii) always provided that the Incurrence Test is met (calculated pro forma including such incurrence)~~;
 - (m) incurred under any financial leases in the ordinary course of the Group's business;
 - (n) incurred under any Working Capital Facility; and
 - (o) not permitted by paragraphs (a) to (n) above, in an aggregate amount not at any time exceeding SEK 10,000,000 and incurred in the ordinary course of the Group's business (all such Financial Indebtedness is together referred to as the “**Permitted Basket**”).

“Permitted Guarantees” means any guarantees issued by a Group Company in relation to Financial Indebtedness incurred in relation to a Project in the ordinary course of business (including, for the avoidance of doubt, Projects managed through Associated Entities), including but not limited to down-payment guarantees (Sw. *insatsgarantier*), rental guarantees (Sw. *hyresgarantier*), locking obligations (Sw. *spärrförbindelser*) and counter indemnities (Sw. *motförbindelser*) to insurance providers issuing performance bonds, or any other guarantees due to applicable changes in rules and regulations from time to time.

“Permitted Security” means any security or guarantee:

- (a) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (b) provided in connection with a redemption of the Bonds in full and constituting a first priority pledge over a bank account in the name of the Issuer for the purpose of securing, *inter alia*, the redemption of the Bonds;
- (c) provided in relation to any lease agreement entered into by a Group Company;
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (e) provided in relation to paragraph (g) of the definition of Permitted Debt and provided for interest rate hedging transactions set out in paragraph (h) of the definition of Permitted Debt;
- (f) constituting (i) Permitted Guarantees, or (ii) constituting security provided by a Group Company in the ordinary course of business provided in relation to a Project Facility or otherwise related to a Project ~~;~~;(including, for the avoidance of doubt, Projects managed through Associated Entities);
- (g) any security or similar arrangements provided by a Group Company over parking facilities and other property facilities ancillary to Karlatornet in connection with a disposal of the Karlatornet Project;
- (h) ~~(g)~~ incurred as a result of any Group Company acquiring another entity which has provided security over any of its assets, provided that the debt secured with such security is Permitted Debt in accordance with paragraph (j) of the definition of Permitted Debt and that such security after a sixty (60) calendar days unwinding grace period is permitted as Permitted Security by paragraphs (a)–(f) above or paragraphs (h)–(j) below;
- (i) ~~(h)~~ constituting security over the leased asset in relation to financial leases as set out in paragraph (m) of the definition of Permitted Debt;
- (j) ~~(i)~~ provided in relation to a Working Capital Facility, however not constituting security over shares in any Group Company; and
- (k) ~~(j)~~ provided in relation to the Permitted Basket.

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

“**Project**” means (i) the acquisition or the refinancing of an investment property (Sw. *förvaltningsfastighet*) (or a company holding an investment property), (ii) the acquisition of a real property or a real property company for the purpose of a subsequent development of residential buildings and/or other real estate, (iii) a construction and development of residential buildings and/or other real estate on a real property (as the case may be), ~~and (iv)~~ (iv) for the avoidance of doubt, the Karlatornet Project and (v) other activities relating to (i), (ii) and (iii) and (iv) in the ordinary course of business (including, for the avoidance of doubt, such activities managed through Associated Entities).

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

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

“**Properties**” means all real property (Sw. *fast egendom*) owned by the Group from time to time.

“**Quotation Day**” means, in relation to (i) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the First Issue Date), or (ii) any other period for which an Interest Rate is to be determined, two (2) Business Days before the first day of that period (*i.e.*, the day that period commences, even if no Interest accrues on such day).

“**Record Date**” means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Holders is to be made under Clause 13 (*Distribution of proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed in accordance with Clause 10 (*Redemption and repurchase of the Bonds*).

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

“**Restricted Payment**” has the meaning set forth in Clause 11.1 (*Distributions*).

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Central Securities Depositories and 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.

“**SEK**” means the lawful currency of Sweden.

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in item (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. on the Quotation Date; or
- (c) if no rate is available for the relevant Interest Period pursuant to item (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to item (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant period.

“**Subsequent Bond**” means any Bond issued after the First Issue Date.

“**Subsequent Bond Issue**” has the meaning set forth in Clause 2.4.

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50.00) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50.00) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (iv) exercises control as determined in accordance with the Accounting Principles. For the avoidance of doubt, associated companies being unconsolidated joint venture companies shall not be considered as Subsidiaries for the purpose of this definition.

“**Valuation Report**” means an external valuation report regarding the fair value of the Properties prepared by a Valuer.

“**Valuer**” means any of Savills Sweden AB, NAI Svefa B, CBRE, Newsec, Forum Fastighetsekonomi AB, DTZ, Croisette Real Estate Partner or any other a reputable independent property advisor acceptable to the Agent.

“**Working Capital Facility**” means a working capital facility taken up from Nordea Bank ~~AB (publ)~~ [Abp](#) and Swedbank AB (publ) respectively, or any other working capital facility

for working capital purposes entered into with a reputable Nordic or international bank in the maximum amount of SEK two hundred and forty million (240,000,000), or any higher amount, provided that the ~~Inurrence~~-Maintenance Test is met calculated *pro forma* at the time when the available amount under the Working Capital Facility is increased (calculated as if the whole amount available under the Working Capital Facility as increased is drawn).

“**Written Procedure**” means the written or electronic procedure for decision making among the Holders in accordance with Clause 16 (*Written Procedure*).

1.2 **Construction**

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

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

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

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

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

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

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

2.1 The aggregate amount of the bond loan will be an amount of up to SEK 1,000,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “Initial Nominal Amount”). The total nominal amount of the Initial Bonds is SEK 700,000,000 (“**Initial Bond Issue**”). All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.

2.2 The ISIN for the Bonds is SE0011256338.

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- 2.3 The minimum permissible investment in connection with the Initial Bond Issue and any Subsequent Bond Issue is SEK 2,000,000.
- 2.4 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions (each such issue, a “**Subsequent Bond Issue**”), until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 1,000,000,000, ~~always provided that the Incurrence Test (calculated pro forma including the Subsequent Bond Issue) is met~~. Any Subsequent Bonds shall be issued subject to the same Terms and Conditions as the Initial Bonds. The price of Subsequent Bonds may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount.
- 2.5 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.6 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.7 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Holder confirms these Terms and Conditions.

3. STATUS OF THE BONDS

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

4. USE OF PROCEEDS

~~4.1~~The Net Proceeds shall be used (i) to redeem, or repurchase and cancel, the Existing Bonds in full and (ii) for general corporate purposes, including acquisitions. The net proceeds from any Subsequent Bond Issue, *i.e.*, after deduction has been made for the transaction costs payable by the Issuer to the bookrunner(s) for the services provided in relation to the placement and issuance of the Subsequent Bonds, shall be used for the purposes set out in paragraph (ii) above.

5. THE BONDS AND TRANSFERABILITY

- 5.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 5.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 5.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.

5.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, e.g., its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

5.5 For the avoidance of doubt and notwithstanding the above, a Holder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Holder hereunder in each case until such allegations have been resolved.

6. BONDS IN BOOK-ENTRY FORM

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

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

6.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

6.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.

6.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.

6.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.

6.7 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with these Terms and Conditions and shall not disclose such information to any Holder or third party unless necessary for such purposes.

7. RIGHT TO ACT ON BEHALF OF A HOLDER

7.1 If any Person other than a Holder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.

7.2 A Holder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under these Terms and Conditions in relation to the Bonds for which such representative is entitled to represent the Holder.

7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 7.1 and 7.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Holder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

8.2 If a Holder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account; such deposits will be effectuated by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Holder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Holders on the relevant Record Date as soon as possible after such obstacle has been removed.

8.3 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 9.4 during such postponement.

8.4 If payment or repayment is made in accordance with this Clause 8, 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, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.

8.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax.

9. INTEREST

9.1 The Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Bond will, however, carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.

9.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Holders on each Interest Payment Date for the preceding Interest Period.

9.3 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).

9.4 If the Issuer fails to pay any amount payable by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9.5 [Provided that the Issuer has made partial prepayments of Bonds in an aggregate amount of SEK 200,000,000 pursuant to Clause 10.5 \(Mandatory partial prepayment\), the Margin shall be reduced by two hundred and fifty \(250\) basis points per annum from eight hundred and twenty-five \(825\) basis points per annum to five hundred and seventy-five \(575\) basis points per annum from and including the next succeeding Interest Period.](#)

10. REDEMPTION AND REPURCHASE OF THE BONDS

10.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day and if permitted under the CSD's applicable regulations, on the Business Day following from an application of the Business Day Convention, and otherwise on the first following Business Day) with an amount per Bond equal to [one hundred and four \(104.00\) per cent. of](#) the Nominal Amount together with accrued but unpaid Interest.

10.2 **The Group Companies' purchase of Bonds**

Any Group Company may, subject to applicable law, at any time and at any price purchase Bonds. The Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a full redemption of the Bonds.

10.3 **Early voluntary redemption by the Issuer (call option)**

[10.3.1](#) The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day falling on or after the First Call Date, but before the Final Redemption Date, at the applicable Call Option Price together with accrued but unpaid Interest.

[10.3.2](#) ~~10.3.1~~ Redemption in accordance with Clause 10.3 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

10.4 **Mandatory repurchase due to a Change of Control Event, De-listing Event or Listing Failure Event (put option)**

10.4.1 Upon a Change of Control Event, De-listing Event or a Listing Failure Event occurring, each Holder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) calendar days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 11.13.1 (e). The fifteen (15) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event, De-listing Event or Listing Failure Event.

10.4.2 The notice from the Issuer pursuant to Clause 11.13.1 (e) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.13.1 (e). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 10.4.1.

10.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 10.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.4 by virtue of the conflict.

10.4.4 Any Bonds repurchased by the Issuer pursuant to this Clause 10.4 may at the Issuer's discretion be disposed of in accordance with Clause 10.2 (*The Group Companies' purchase of Bonds*).

10.4.5 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 10.4, if a third party in connection with the occurrence of a Change of Control Event, De-listing Event or Listing Failure Event, as applicable, offers to purchase the Bonds in the manner and on the terms set out in this Clause 10.4 (or on terms more favourable to the Holders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 10.4, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.

10.5 **Mandatory partial prepayment**

10.5.1 The Issuer shall, at one or more occasions, up to and including the Original Final Redemption Date make partial prepayments of Bonds in an aggregate amount of SEK 200,000,000 at the Call Option Price for the relevant period together with accrued but unpaid Interest on the amount prepaid. Any such partial prepayment shall reduce the Nominal Amount of each Bond *pro rata* (rounded down to the nearest SEK 1) in accordance with the procedures of the CSD.

10.5.2 Partial prepayment in accordance with Clause 10.5.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent and the prepayment shall be made on the next Interest Payment Date following such notice. Any such notice shall state the Redemption Date, the relevant Record Date and the applicable Call Option Price and is irrevocable.

11. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 11.

11.1 Distributions

The Issuer shall not, and shall procure that none of the Subsidiaries will, (i) pay any dividend on shares, (ii) repurchase any of its own shares other than in order to secure any of its obligations or costs under an Employee Ownership Program, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) repay principal or pay interest under any shareholder loans or (v) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) (items (i)–(v) above are together and individually referred to as a “**Restricted Payment**”), provided however that any such Restricted Payment can be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, by:

- (a) any Group Company (i) if such Restricted Payment is made to a Group Company or a Project Entity and, if made by or to a Subsidiary or a Project Entity which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis (or otherwise pursuant to an arm's length arrangement) or (ii) for the purpose of an

investment in the Karlatornet Project or any security or guarantee provided by the Group in connection with the Karlatornet Project at arm's length terms (as confirmed by the board of directors of the Issuer); or

- (b) the Issuer, provided that ~~(i) the Incurrence Test is met (calculated pro forma including the relevant Restricted Payment), and (ii)~~ the aggregate amount of all Restricted Payments of the Group in a financial year (including the Restricted Payment in question but excluding any Restricted Payment made in accordance with paragraph (Aa) above) does not exceed fifty (50) per cent. of the Group's consolidated net profit (Sw. *årets resultat*) (calculated net of any revaluation of Properties or other assets) according to the annual audited financial statements for the previous financial year (and without accumulation of profits from previous financial years).

11.2 Listing of Bonds

The Issuer shall ensure (i) that the Initial Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within six (6) months after the First Issue Date, (ii) that the Bonds, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds) and (iii) provided that the Initial Bonds have been admitted to trading, that upon any Subsequent Bond Issue, the volume of Bonds listed on the relevant Regulated Market promptly, and not later than fifteen (15) Business Days after the relevant issue date, is increased accordingly.

11.3 Nature of business

The Issuer shall procure that no substantial change is made to the general nature of the business as carried out by the Group on the First Issue Date.

11.4 Disposals of assets

The Issuer shall not, and shall procure that none of the Subsidiaries, sell or otherwise dispose of shares or partnership shares in any Material Group Company or of all or substantially all of its or any Material Group Company's assets or operations to any Person not being the Issuer or any of the wholly-owned Subsidiaries, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction in accordance with Clause 11.13.2.

11.5 Dealings with related parties

The Issuer shall, and shall procure that the Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding when such shareholder is

another Group Company) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

11.6 Compliance with laws etcetera

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

11.7 Management of Properties

The Issuer shall, and shall procure that each other Group Company, keep the 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.

11.8 Insurance

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

11.9 Maintenance Test

The Issuer shall ensure that the Maintenance Test is met as long as any Bond is outstanding.

11.10 Financial Indebtedness

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

11.11 Negative pledge

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

11.12 Valuation of Properties

The Issuer shall during each calendar year procure that a Valuation Report is prepared. If the Issuer suspects that the market value of the Properties has declined since the most recent Valuation Report, the Issuer is obliged to procure that a new Valuation Report is prepared as per the date when such obligation occurred.

11.13 Financial reporting etcetera

11.13.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than four (4) months after the expiry of each financial year;
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than two (2) months after the expiry of each relevant interim period;
- (c) issue a Compliance Certificate to the Agent (i) when a Financial Report is made available ~~_, (ii) in connection with the incurrence of new Financial Indebtedness (including any Subsequent Bond Issue) or a Restricted Payment being made, which requires that the Incurrence Test is met, and~~ and (iii) at the Agent's request, within twenty (20) calendar days from such request;
- (d) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website;
- (e) promptly notify the Agent (and, as regards a Change of Control Event, a De-listing Event or a Listing Failure Event, the Holders) upon becoming aware of the occurrence of a Change of Control Event, a De-listing Event, a Listing Failure Event or an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice; and
- (f) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

11.13.2 The Issuer shall notify the Agent of any transaction referred to in Clause 11.4 (*Disposals of assets*) and shall, upon request by the Agent, provide the Agent with (i) any information relating to the transaction which the Agent deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for

assessing if the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (ii) above.

11.14 **Agent Agreement**

11.14.1 The Issuer shall, in accordance with the Agent Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information reasonably 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 Agent Agreement.

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

11.15 **CSD related undertakings**

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

12. TERMINATION OF THE BONDS

12.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Holder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 12.6 or 12.7, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with these Terms and Conditions unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date;
- (b) **Other obligations:** The Issuer does not comply with:
 - (i) The Maintenance Test, or
 - (ii) these Terms and Conditions in any other way than as set out under paragraph (a) or (b) (i) above, unless the non-compliance is (A) capable of being remedied and (B) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the

failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);

(c) **Cross- acceleration:**

- (i) Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described);
- (ii) any security interest securing Financial Indebtedness over any assets of any Material Group Company is enforced;

provided however that the amount of Financial Indebtedness or commitment for Financial Indebtedness referred to under paragraph (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 40,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

(d) **Insolvency:**

- (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness; or
- (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;

(e) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, solvent liquidations) in relation to:

- (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (*Sw. företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
- (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
- (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company;

(f) **Mergers and demergers:**

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- (i) A decision is made that any Material Group Company shall be merged or demerged into a company which is not a Group Company, unless the Agent has given its consent (not to be unreasonably withheld or delayed) in writing prior to the decision of the merger and/or demerger, provided however that such consent shall only be given if an accountant or other external expert, engaged in accordance with Clause 18.2.7, has assured that the merger or demerger (as applicable) will not have a Material Adverse Effect (where consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors); or
- (ii) the Issuer merges with any other Person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity;
- (g) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value equal to or exceeding SEK 40,000,000 and is not discharged within thirty (30) calendar days;
- (h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable; or
- (i) **Continuation of the business:** The Issuer or any other Material Group Company ceases to carry on its business, except if due to (i) a permitted merger or demerger as stipulated in Clause 12.1 (f) (*Mergers and demergers*) or (ii) a permitted disposal as stipulated in Clause 11.4 (*Disposals of assets*), provided it has a Material Adverse Effect.
- 12.2 The Agent may not terminate the Bonds in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under Clause 12.1 (d).
- 12.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 12.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 12.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 12.1. The Issuer shall further, at the request of the Agent, provide the Agent with

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- details of any circumstances referred to in Clause 12.1 and provide the Agent with all documents that may be of significance for the application of this Clause 12.
- 12.5 The Issuer is only obliged to inform the Agent according to Clause 12.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with Nasdaq Stockholm (or any other Regulated Market, as applicable) or otherwise, the Issuer shall however be obliged to either seek the approval from Nasdaq Stockholm (or any other Regulated Market, as applicable) or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 12.4.
- 12.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 12.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 14 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 12.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 14 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 12.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 12, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 12.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 12 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 14 (*Decisions by Holders*).
- 12.10 If the Bonds are declared due and payable in accordance with this Clause 12, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Price for the relevant period plus accrued but unpaid Interest or, if the Bonds are accelerated before the

First Call Date, at the price set out in paragraph (a) of the definition Call Option Price plus accrued but unpaid Interest.

13. DISTRIBUTION OF PROCEEDS

13.1 If the Bonds have been declared due and payable in accordance with Clause 12 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the 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, (ii) other costs, expenses and indemnities relating to the termination of the Bonds or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions.

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

13.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.1.

13.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.

13.4 If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 8.1 shall apply.

14. DECISIONS BY HOLDERS

- 14.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 14.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' Meeting or by way of 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 Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 14.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 14.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 7 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:
- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 16.3, in respect of a Written Procedure,
- may exercise voting rights as a Holder at such Holders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- 14.5 The following matters shall require consent of Holders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3:
- (a) waive a breach of or amend an undertaking set out in Clause 11 (*Special undertakings*);
 - (b) a mandatory exchange of Bond for other securities;
 - (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;

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- (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
- (e) amend the provisions in this Clause 14.5.
- 14.6 Any matter not covered by Clause 14.5 shall require the consent of Holders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 17.1 (a), (b) or (c)) or a termination of the Bonds.
- 14.7 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.
- 14.8 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 15.1) or initiate a second Written Procedure (in accordance with Clause 16.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 14.7 shall not apply to such second Holders' Meeting or Written Procedure.
- 14.9 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 these Terms and Conditions and the Agent Agreement shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 14.10 A Holder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 14.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 14.12 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.

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- 14.13 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 14.14 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, 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) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 14.15 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

15. HOLDERS' MEETING

- 15.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 15.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 15.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 18.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 15.1.
- 15.3 The notice pursuant to Clause 15.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 15.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 15.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the

register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.

15.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.

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

16. WRITTEN PROCEDURE

16.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.

16.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 16.1 to each Holder with a copy to the Agent.

16.3 A communication pursuant to Clause 16.1 shall include (i) each request for a decision by the Holders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 16.1), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 16.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

16.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.

16.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clause 14.5 and 14.6 have been received in a Written Procedure, the relevant decision shall

be deemed to be adopted pursuant to Clause 14.5 or 14.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

17. AMENDMENTS AND WAIVERS

17.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:

- (a) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;
- (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
- (c) such amendment or waiver is necessary for the purpose of listing the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) provided such amendment or waiver does not materially adversely affect the rights of the Holders; or
- (d) such amendment or waiver has been duly approved by the Holders in accordance with Clause 14 (*Decisions by Holders*).

17.2 The consent of the Holders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.

17.3 The Agent shall promptly notify the Holders of any amendments or waivers made in accordance with Clause 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.

17.4 An amendment or waiver to these Terms and Conditions shall take effect on the date determined by the Holders' Meeting, in the Written Procedure or by the Agent, as the case may be.

18. APPOINTMENT AND REPLACEMENT OF THE AGENT

18.1 Appointment of Agent

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

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- 18.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.
- 18.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions and the Agent Agreement.
- 18.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agent Agreement, and the Agent's obligations as agent under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.
- 18.1.5 The Agent may act as agent 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**

- 18.2.1 The Agent shall represent the Holders in accordance with these Terms and Conditions. However, the Agent is not responsible for the execution or enforceability of these Terms and Conditions. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.
- 18.2.2 Upon request by a Holder, the Agent shall promptly distribute to the Holders any information from such Holder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.
- 18.2.3 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 18.2.4 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under these Terms and Conditions.
- 18.2.5 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in these Terms and Conditions and the Agent Agreement.

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- 18.2.6 The Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 18.2.7 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Holders under these Terms and Conditions or (iii) when the Agent is to make a determination under these Terms and Conditions. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under these Terms and Conditions shall be distributed in accordance with Clause 13 (*Distribution of proceeds*).
- 18.2.8 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under these Terms and Conditions.
- 18.2.9 Notwithstanding any other provision of these Terms and Conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 18.2.10 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Holders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 18.2.11 The Agent shall give a notice to the Holders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement, or (ii) if it refrains from acting for any reason described in Clause 18.2.10.

18.3 **Limited liability for the Agent**

- 18.3.1 The Agent will not be liable to the Holders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 18.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is

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- detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.
- 18.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 18.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 14 (*Decisions by Holders*).
- 18.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.
- 18.4 **Replacement of the Agent**
- 18.4.1 Subject to Clause 18.4.6, the Agent may resign by giving notice to the Issuer and the Holders, in which case the Holders shall appoint a successor Agent at a Holders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 18.4.2 Subject to Clause 18.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 18.4.3 A Holder (or Holders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.
- 18.4.4 If the Holders have not appointed a successor Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 18.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions and the Agent Agreement.

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- 18.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 18.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Holders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 18.4.8 In the event that there is a change of the Agent in accordance with this Clause 18.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions and the Agent Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 19.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- 19.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is insolvent or becomes subject to bankruptcy proceedings, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

20. APPOINTMENT AND REPLACEMENT OF THE CSD

- 20.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 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 Holder or the listing of the Bonds listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*).

21. NO DIRECT ACTIONS BY HOLDERS

- 21.1 A Holder may not take any action or take any legal steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, administration, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or a Subsidiary in relation to any of the liabilities of the Issuer under these Terms and Conditions. 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 Holders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 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 by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement or by any reason described in Clause 18.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.11 before a Holder 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 Holder's right to claim and enforce payments which are due to it under Clause 10.4 (*Mandatory repurchase due to a Change of Control Event, De-listing Event or Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Holders.

22. TIME-BAR

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

23. NOTICES AND PRESS RELEASES

23.1 Notices

23.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or to such address as notified by the Agent to the Issuer from time to time, and if sent by email by the Issuer, to such email address as 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, to such address as notified by the Issuer to the Agent from time to time, and if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time; and
- (c) if to the Holders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the Business Day prior to dispatch, and by either courier delivery or letter for all Holders. A notice to the Holders shall also be published on the websites of the Issuer and the Agent.

23.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 23.1.1.

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

23.2 Press releases

23.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses ~~10.3–10.4~~[10.3–10.5](#), 11.13.1 (e), 12.6, 13.4, 14.15, 15.1, 16.1, 17.3, 18.2.11 and 18.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

23.2.2 In addition to Clause 23.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Agent may send to the Holders 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 Holders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it

can lawfully send a notice containing such information to the Holders, the Agent shall be entitled to issue such press release.

24. FORCE MAJEURE AND LIMITATION OF LIABILITY

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

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

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

24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

25. LISTING

The Issuer intends to list the Initial Bonds within thirty (30) calendar days from the First Issue Date and has undertaken to list the Initial Bonds within six (6) months after the First Issue Date, and any Subsequent Bonds within fifteen (15) Business Days after the relevant issue date (provided that the Initial Bonds have been admitted to trading), on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) in accordance with Clause 11.2 (*Listing of Bonds*). Further, if the Initial Bonds have not been listed on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the First Issue Date, each Holder has a right of repayment (put option) of its Bonds in accordance with Clause 10.4 (*Mandatory repurchase due to a Change of Control Event, De-listing Event or Listing Failure Event (put option)*).

26. GOVERNING LAW AND JURISDICTION

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

26.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 26.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.

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

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

Place: _____

SERNEKE GROUP AB (PUBL)
as Issuer

Name:

Name:

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

Place: _____

INTERTRUST (SWEDEN) AB
as Agent

Name: