



Jefast Holding AB (publ)

relating to the listing of

up to a maximum SEK 500,000,000 Senior Unsecured Floating Rate
Bonds due 2021

ISIN: SE0009696313

Carnegie Investment Bank AB



Prospectus dated 23 May 2017

IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Jefast Holding AB (publ) (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Sweden, having its headquarters located at the address, Norregatan 2, 263 39 Höganäs, with reg. no. 556721-2526, in relation to the application for the listing of the senior unsecured floating rate bonds denominated in SEK (the "**Bonds**") on the corporate bond list on NASDAQ OMX Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Carnegie Investment Bank AB has acted as arranger in connection with the issue of the Bonds (the "**Arranger**") This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (Sw. lag (1991:980) om handel med finansiella instrument) (the "**Trading Act**") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Regulation**"). The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA's website (fi.se) and the Issuer's website (jefast.se).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 36 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

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

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

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

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

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

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

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

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RISK FACTORS

Risk and risk-taking is an inevitable part of investing in bonds. There are risks both regarding circumstances linked to the Issuer and the Group as a whole and those which bear no specific relation to the Issuer and/or the Group. In addition to the other information in the investor presentation relating to the Bonds as well as a general evaluation of external factors, investors should carefully consider the risk factors described below before making any investment decision. The occurrence of any of the events mentioned below could have a material adverse effect on the Issuer's and/or the Group's operations, financial position and results of operations. The risks presented in this document are not exhaustive, and other risks not at present known to the Group, or that the Group currently thinks are insignificant and therefore has not included herein, may also adversely affect the Group and the Group's ability to service its debt obligations under the Bonds. Prospective investors should consider carefully the information contained herein and make an independent evaluation before making any investment decision.

Please note that only a limited high level legal due diligence of the Swedish entities and assets of the Group has been conducted in connection with the preparation of this document and conducted in relation to the issuance of the Bonds. No financial, insurance or tax due diligence has been conducted. No due diligence related to the Group's assets and business in the US has been conducted. Thus, there may be risks relating to the Group and its business which have not been disclosed in the limited legal due diligence process and which are consequently not disclosed in this document.

The risk factors below are not given in any particular order.

Risks relating to the Group and the market

Macroeconomic factors

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

Certain risks relating to the business model and the projects

The Group's main businesses are owning, developing and managing properties in northwest Skåne in Sweden as well as owning, developing and managing a hotel as well as two additional properties in Florida, USA.

One of the main risks related to the Group's business is that some of the Group's tenants may not prolong their lease agreements after they have expired which would have a negative impact on the Group's operations, financial position, earnings and results. Further, the Group is dependent on that their tenants pay their rent on time and if several tenants simultaneous are unable to make their rental payments this would have a negatively impact on the Group's operations, financial position, earnings and results. There are 5-10 commercial tenants that are in arrears with their rental payments each month, usually adjusted with 15 business days.

Property risk

Returns from the properties will largely depend on the rental income, the costs and expenses incurred in the asset management, refinement and property management, as well as on changes in the market value of the properties. Rental income and the market value of properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates. There is a risk that both property value and rental income will be affected by competition from other property owners, or the perceptions of prospective tenants of the attractiveness, convenience and safety of the properties. There is a risk that the Group will experience a decrease in its rental incomes or the market value of its properties, and such decrease would have a negative effect on the Group's operations, financial position, earnings and results.

Landmark classification

Two of the Group's Properties has been classified as land marks. The current planning regulation stipulates that the building's status is historically particularly valuable by the safeguard classification "q", which entails that the historical value of the buildings may not be distorted. As a consequence, according to the Planning and Building Act (Sw. *Plan- och bygglagen (2010:900)*), the possibilities for reconstructing the building are in some ways limited, for example the prohibition on distortion (Sw. *Förvanskningförbudet*). As a consequence, the buildings may not be demolished and the exterior of the building may not be further distorted. Furthermore, the building's foundation and construction cannot be distorted and usage that is disturbing to the surrounding area are not allowed. Any plans on remodelling the building on these properties must be carried out in line with such safeguard regulations which could limit the Group's possibilities for developing the building and/or the properties in the future, which could have a negative effect on the Group's operations, financial position, earnings and results.

Transaction risk

Acquisitions of companies and properties is part of the Group's business. Such transactions are subject to risks and uncertainties. The Group generally carries out a limited due diligence review in connection with acquisitions. The legal due diligence review is often carried out without help from external legal counsels and consists of a review of customary documentation relating to the target companies and properties, and share purchase agreements and transfer agreements are often negotiated without help from any legal counsel. As a general rule, the sellers' obligations under the share purchase agreements and the transfer agreements are not secured by any parent company guarantees or similar. A technical due diligence review is carried out by external consultants only if environmental risks are identified in connection with a certain transaction and/or if requested by the relevant lender. Property acquisitions, whether directly or through share acquisitions in property owning companies, involve, for example, environmental risks, financial risks, legal risks and risks of technical problems. If any such risks relating to future operations, acquired companies or properties would materialize this could have a negative effect on the Group's operations, financial position, earnings and results.

Risks relating to acquisitions carried out during 2016

During 2016 the Group acquired the shares in Jefast Söderåsen AB, reg. no 556638-5893, and thereby indirectly the properties Åstorp Mullvaden 9, Åstorp Mullvaden 10, Åstorp Mullvaden 11, Åstorp Musslan 1 and Åstorp Musslan 2. The Group also acquired the shares in Jefast City Fastigheter i Höganäs AB, reg. no. 556720-6247 and thereby indirectly the property Höganäs Flora 5. Lastly, the Group acquired the company Fastigheten Belgien Norra 19 Kommanditbolag, reg. no. 969646-3752 and thereby indirectly the property Helsingborg Belgien Norra 19. The Group carried out a limited due diligence review in connection with these acquisitions, without help from any external legal counsel.

Regarding the properties Helsingborg Belgien Norra 18, Åstorp Mullvaden 9, Åstorp Mullvaden 10, Åstorp Mullvaden 11, Åstorp Musslan 1 and Åstorp Musslan 2. The transactions involve, in addition to the risks identified by Sweco, financial and legal risks. If any such risks regarding the acquired companies or properties would materialize, it could have a negative effect on the Group's operations, financial position, earnings and results.

Risks relating to Jefast Söderåsen AB ("Söderåsen")

Promissory note

As a part of the purchase price, the Group has issued two promissory notes to the sellers in the transaction. The promissory notes amounts to SEK 15,000,000. There is a risk that the repayment of these promissory notes will have a material adverse effect on the Issuer's financial position and its ability to service its debt under the Bonds.

The technical due diligence

The technical due diligence carried out by Sweco stated several remarks regarding the technical and environmental condition of the properties Åstorp Mullvaden 9, Åstorp Mullvaden 10, Åstorp Mullvaden 11, Åstorp Musslan 1 and Åstorp Musslan 2. There are 21 buildings situated on the properties. The condition of the apartments is not included in the technical review. According to the technical due diligence, it is estimated that the defects and renovations that will have to be reminded within two years amounts to SEK 1,829,000 and the renovations that will have to be executed within the next five years is estimated to amount to SEK 5,226,000. The report also states that there is a risk that asbestos is present in parts of the building that has not been renovated. The cost for the restoration and renovation of the buildings could have a negative effect on the Group's operations, financial position, earnings and results.

Risks relating to the acquisition of Fastigheten Belgien Norra 19 Kommanditbolag

Promissory note

According to the share purchase agreement, the Group has issued a promissory note in order to pay part of the purchase price. The amount payable under the promissory note is SEK 10,000,000 and the payment is last due on 1 May 2020. There is a risk the lender will request early payment of the amount, and there is a risk that the repayment of the amount will affect the Group's financial position, earnings and results, which in turn could affect the Group's ability to repay the Bond Financing.

Project risk

The Group's projects mainly relate to adapting its properties for its respective tenants. The projects involve both renovation and expansion of the properties. The Group is currently carrying out a larger project with respect to an urban shopping and entertainment center, Holland 25 (previously called "Söderpunkten" and hereafter "Holland 25"). The Holland 25 project will be carried out in three stages, (i) construction of a galleria estimated to be completed in the second quarter of 2018, (ii) an extension of the existing building estimated to be completed around the second quarter of 2018 and (iii) an extension consisting of apartments for housing purposes estimated to be completed in 2019. Stage (i) and (ii) of the project is estimated to cost the Group SEK 380,000,000 and the total cost for the project is estimated to SEK 560,000,000, out of which approximately SEK 80,000,000 was invested into the project during 2016.

The Holland 25 project was initially estimated to be completed during 2018. The timeline for the project has been delayed and according to the Group's current time plan the project is estimated to be completed during 2019. There is a risk that the Holland 25 project is further delayed in the future and that other projects relating to adapting properties for the Group's tenants are delayed for

various reasons. There is a risk that the cost of the Holland 25 project and other projects relating to adapting properties for the Group's tenants may overrun the estimated budget, this would have a negative effect on the Group's operations, financial position, earnings and results. In addition, there is a risk that the tenants might be entitled to rent reductions and damages for which the Group would be responsible should there be any delays in adapting the respective premises within the Holland 25 project and other projects.

Risk relating to the procurement of a construction agreement

Skanska project management group was established on site in January 2016 and the construction is ongoing. The Issuer has entered into a construction agreement with Skanska on a cost plus basis (Sw. *löpande räkning*) regarding the first and second stage of the project. The Issuer has not yet entered into any construction agreement with regard to the third stage of the project. The project is dependent on procurement of the construction contract, the completion of the construction, etc. There is a risk that the project is delayed for various reasons or that the cost of the project may overrun the estimated budget. The project may be aborted or become more expensive and thereby yield less profits than what is estimated by the Issuer, which may have a material adverse effect on the Issuer's operations, results and financial position, which may impact the Issuer's ability to repay the Bond Financing.

Construction risk

Construction projects involve certain inherent risks. These risks include construction defects, construction technical defects which forbid the use of the properties for residential purposes, other latent defects, damages and pollutions. If these technical problems would occur, it would result in a delay of the planned constructions or development project, or higher costs for constructions, which may have a negative effect on the Group's operations, financial position, earnings and results.

Environmental risk

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

If no business operator can carry out or pay for after-treatment of a property, the acquirer of the property, and which at the time of the acquisition knew about, or should have discovered, the contaminations is responsible for the after-treatment. This means that claims under certain circumstances can be directed against the Group for cleaning-up or after-treatment regarding the occurrence of, or suspicion of, contamination in the ground, water areas, or groundwater, in order to put the property in such condition as required by the Environmental Code.

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

Should any of the above mentioned risks materialize it could have a material negative impact on the Group's operations, earnings and financial position.

Risks relating to the lease agreements

Terminated lease agreements

The Group's result is affected negatively if the tenancy ratio or the rental levels decrease. The Group has certain substantial tenants and there is a risk that these will not renew or prolong their lease agreements once they expire. There are risks involved with obtaining a new tenant/tenants for the relevant premise. New potential tenants might imply higher counterparty risks, and the Group's ability to successfully negotiate a new lease contract on favourable terms is dependent upon the general condition of the real estate market at such time. Further, the premises may have to be renovated and adjusted to serve the new tenants. There is a risk that such investments would have a negative effect on the Group's operations, financial position, earnings and results. There could also be a period when the relevant premises have no tenants and consequently no income, which would have a negative effect on the Group's operations, financial position, earnings and results.

Lease agreements under renegotiation

The Group has ongoing renegotiations with current tenants. Under Swedish lease law, a tenant is entitled to compensation from the landlord for the damage resulting from the termination of the lease agreement by the landlord, even if it is a termination at the expiry of the contracted term. This right to compensation is known, as a tenant's "indirect right to prolongation" (Sw. *indirekt besittningsskydd*). If there is no agreement between the Group and the tenants in which the tenants waives their right to compensation upon termination the tenants may be entitled to compensation should they be unwilling to leave the premises upon termination of its lease agreement. In such case a tenant can within two months of the notice of termination refer the dispute to the rent tribunal. If the rent tribunal determines that the tenant is entitled to compensation, the landlord must always pay a minimum compensation to the tenant equal to an amount corresponding to one year's rent for the premises according to the lease agreement. In addition, if the tenant has suffered a loss which is not covered by this compensation due to the termination of the lease agreement, the landlord must also to a reasonable extent indemnify the tenant for this loss. Hence, there is a risk that the tenants, who's leases have been terminated by the landlord for renegotiation, may claim compensation for a termination of its lease agreement and there is also a risk that the relevant premises have no tenant and consequently no income during a period of time. This would have a negative effect on the Group's operations, financial position, earnings and results.

Risk related to residential lease agreements

As part of their main business, the Group has entered into several lease agreements regarding residential housing. According to the Swedish Land Code, a tenant party to a residential lease is always entitled to three (3) months' notice period. The tenant may terminate the lease agreement observing a notice period of three (3) months, which means that there is a risk that the Group may at any time, with short notice, receive notice of termination which may incur a loss of rental income for the period until a new lease agreement can be entered into with a new tenant, which would have a negative effect on the Group's operations, financial position, earnings and results.

Technical risks

Property investments and property management always contain a technical risk related to the operations of the property, including, but not limited to, construction issues, hidden defects, damage (including through fire or other natural disasters) and pollution. These types of technical problems could result in significant unforeseen costs relating to the property. If one or several of the properties owned by the Group encounters any technical issues in the future this could substantially increase the costs relating to such property, which would have a negative effect on the Group's operations, financial position, earnings and results.

Risks relating to the Group's business in the US

Five of the Group companies are incorporated in the US and three of them each own a real property in the US; a hotel (the Pelican Grand Beach Resort) and two villas, where one is a demolition property. Currently there are contract works ongoing with respect to on the Group's properties in the US. The contract works amount to USD 40,000. As no due diligence has been conducted with respect to the US companies, its assets or any of the Group's operations in the US there is a risk that the Group's operations in the US are exposed to environmental risks, competition risks, risks relating to the lease agreements or other agreements material for the US business and risks relating to taxes, litigations, competition and changes in legislation and other material risks which would have a negative effect on the Group's operations, financial position, earnings and results.

Competitive landscape

The Group has a strong position in Höganäs as the largest private property owner. With respect to Helsingborg, the competitive landscape is more diversified and the Group competes with several other companies operating in the area. Jefast is the largest private property owner in Åstorp. The municipality of Åstorp is strategically located with easy communications to Helsingborg. Åstorp's municipality's real estate company also owns a lot of real properties in the area. There is a risk that the competitors grow stronger in the future, for example, by means of further consolidation in the relevant markets. If the Group is not able to compete successfully against current as well as future competitors this would have a negative effect on the Group's operations, financial position, earnings and results.

Key persons

The Group's future development depends largely on the skills, experience and commitment of its key employees and advisers. These persons also have comprehensive knowledge of the Group and the industry in general. Therefore it is important for the Group's future business activities and development that it is able to retain, and where necessary also recruit, skilled persons. If the Group should become unable to retain or recruit such persons, this would adversely impact the Group's operations, financial position, earnings and results.

Negative publicity

Negative publicity or announcement relating to the Group may, regardless of whether justified, deteriorate the brands' value and have a negative effect on the Group's operations, financial position, earnings and results.

Dependency upon laws, regulations and decisions

The Group's business and property development is regulated and affected by several different laws and regulations as well as proceedings and decisions related to these laws and regulations. For example, the Planning and Building Act (Sw. *Plan- och bygglagen (2010:900)*), building codes, security regulations, regulation related to building materials and rules regarding buildings, fire and safety requirements and environmental regulations, can all have an impact on the Group's business and the cost and ability to develop properties. The Group conducts its property developments in accordance with its interpretation of applicable laws and regulations, however there is a risk that the Group's or its advisors' interpretation could be incorrect or that such laws and regulations may change in the future. Should the Group be exposed to regulatory compliance issues, there is a risk that the Group will be subject to fines or reputational risks. There is also a risk that laws or regulations may hinder the Group from developing or converting properties in accordance with their intentions, or that the projects are delayed or more costly than anticipated.

There is also a risk that changes to current laws and regulations could result in unexpected costs or lead to limitations in the development of the Group's business.

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

Borrowing by the Group and interest risk

The Group has incurred, and may in compliance with the limits set out in the Terms and Conditions further incur, financial indebtedness to finance its business operations. Such financing may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. The interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks in the geographical markets in which the Group operates. An increase in interest rates would entail an increase in the Group's interest obligations, which could have a negative effect on the Groups' operations, financial position, earnings and results. The success of any hedging activities is highly dependent on the accuracy of the Group's assumptions and forecasts. All erroneous estimations that affect such assumptions and forecasts could have a negative effect on the Group's operations, financial position, earnings and results.

Currency risk

The Group is exposed to foreign exchange risk. This risk arises where balance sheet items reported in foreign currency are translated into the Group's reporting currency, SEK. Some of the Group's assets, liabilities, revenues and expenses are reported in USD by the Group's US subsidiaries. The Group has not taken any measures to hedge the effects of exchange rate movements. Hence, should there be fluctuations in the exchange rates and the Group fails to manage such this could have a negative impact on the Group's operations, financial position, earnings and results.

Insurance

If the Group is unable to maintain its insurance cover on terms acceptable to it, or if future business requirements exceed or fall outside the Group's insurance cover, or if the Group's provisions for uninsured costs are insufficient to cover the final costs, it would adversely impact the Group's operations, financial position, earnings and results.

Tax related risks

The Group conducts its business in accordance with its own interpretation of applicable tax regulations and applicable requirements and decisions. There is a risk that the Group's or its advisers' interpretation and the Group's application of laws, provisions, judicial practice has not been, or will in the future not be, correct or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, the Group's tax liabilities can increase, which would have a negative effect on the Group's results and financial position. Revisions to tax regulations could for example comprise denied interest deductions, additional taxes on the direct or indirect sale of property and/or tax losses carried forward being forfeited, which could affect the Group's results and financial position in the future. The results of a governmental investigation regarding the tax related impact of divesting properties by packaging the properties into property holding companies were presented on 30 March 2017, suggesting a legislative change. The suggested change implies that the tax consequences of a transfer of the shares in a property holding company shall equal those of a direct sale of the property. Even though the legislative process is still in an early stage, there is a risk that a legislative change will be effected in line with the suggestion, which would have an impact on the tax effects in connection with divestment of

shares in property holding companies going forward and result in a negative effect on the Group's results and financial position.

Credit risk

Where there is a risk that the Group's counterparties will be unable to fulfil their financial obligations towards the Group, the Group is exposed to credit risk. The financial situation of the Group's current and potential tenants and other counterparties may become such that they cannot pay the agreed rent or other amounts owed to the Group as they fall due or otherwise fail to fulfil their obligations. This would adversely affect the Group's operations, earnings, results and financial position.

Issuer's dependence on other companies in the Group

The Issuer is a holding company and holds no significant assets other than the ownership in its subsidiaries. The Issuer therefore depends on the receipt of sufficient income and cash flow related from the operations of the subsidiaries. Consequently, the Issuer is dependent on the subsidiaries' availability of cash and their legal ability to pay dividends, which may from time to time be restricted by corporate restrictions and law. A decrease in any such income and cash flow may have a material adverse effect on the Issuer's financial condition and its ability to service its debt under the Bonds. Further, some of the members of the Group have entered into financing arrangements limiting such companies' abilities to pay dividends and other distributions, as further described under the heading "*Structural subordination and insolvency of subsidiaries*" below.

Majority owner

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

Changes in legislation

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

Legal disputes

The Group is currently involved in an ongoing legal dispute regarding the repairs of a balcony on one of the properties held by the Group. The Group has carried the costs for repairs of a total amount of SEK 1,500,000 and has directed a warranty claim towards the contractor which carried out the construction of the balcony, in order to retrieve the amount. Claims or legal action may in the future be taken against the Group which would have significant unfavourable effects on the Group's financial position, operations, earnings, results, performance, and market position or pricing of the Bonds.

Risks relating to the Bonds

Credit risks

Investors in the Bonds assume a credit risk relating to the Group. The payments to bondholders under the Terms and Conditions are therefore dependent on the Group's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors, some of which have been mentioned above. An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would have an adverse effect on the value of the Bonds. Another aspect of the credit risk is that a decline in the financial position of the Group may reduce the prospects of the Group to receive debt financing when the Bonds mature.

Refinancing risk

The Group may eventually be required to refinance certain or all of its outstanding debt, including the Bonds. The Group's ability to successfully refinance its debt depends, among other things, on the conditions of the bank market, the capital markets and the Group's own financial condition at such time. The Group's access to financing sources may not be available on favourable terms or not available at all. The Group's inability to refinance its debt obligations on favourable terms, or to refinance them at all, could and would likely have a material adverse effect on the Group's business, operations, earnings and results and on the prospects of recovery by the bondholders under the Bonds.

Interest rate risks

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

Liquidity risks

The Group intends to apply for listing of the Bonds on Nasdaq Stockholm. However, there is a risk that the Bonds might not be admitted to trading. Further, even if the Bonds are admitted to trading on a regulated market, active trading in the Bonds does not always occur and hence there is a risk that a liquid market for trading in the Bonds will not form or will not be maintained, even if the Bonds are listed. As a result, the bondholders may be unable sell their Bonds when they so desire or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market or for a sale at par. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative of the market price of the Bonds if the Bonds are admitted for trading on NASDAQ Stockholm, as the Bonds may trade below their nominal value (for instance, to allow for the market's perception of a need for an increased risk premium).

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

The market price of the Bonds may be volatile

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

Ability to comply with the Terms and Conditions for the Bonds

The Issuer is required to comply with the Terms and Conditions for the Bonds. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Issuer's ability to comply with, among other things, the undertakings set out in the Terms and Conditions for the Bonds. A breach of the Terms and Conditions for the Bonds could result in a default under the Terms and Conditions for the Bonds, which would have a negative effect on the Group's operations, results and financial position. It is possible that the Issuer will not have sufficient funds at the time of the repayment to make the required redemption of Bonds.

Ability to service debt

The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. This would have a negative effect on the Group's operations, earnings, results and financial position.

Risks relating to the Bonds being unsecured

The Bonds represents an unsecured obligation of the Issuer. If the Issuer is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, any secured obligation of the Issuer must first be satisfied, potentially leaving little or no remaining assets in the Issuer for the bondholders. As a result, the bondholders may not recover any or the full amount owed to them under the Terms and Conditions.

Structural subordination and insolvency of subsidiaries

All assets are owned by, and all revenues are generated in, the subsidiaries of the Issuer. The subsidiaries are legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. The ability of the subsidiaries to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers). Further, some of the members of the Group have entered into financing arrangements limiting such companies' abilities to pay dividends and other distributions, as further described below

The Group or its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

Restrictions on dividends and value transfers from certain Group companies

Three of the Group companies, Jefast Långaröd AB, Jefast i Höganäs AB and Höganästriangeln HB (each a "**Borrower**", together the "**Borrowers**"), have entered into a credit agreement with SBAB which contains a provision restricting dividends and value transfers in accordance with the Swedish companies act from the Borrowers and its subsidiaries. The restriction applies as long as the interest coverage ratio (i.e. operating profit (including customary adjustments) in relation to finance charges) of a specific Borrower is less than 1.50. The three Borrowers together represent approximately 13 per cent of the Group's total cash flow. If the interest coverage ratio of a Borrower would fall below the 1.50 threshold the Issuer will not be able to receive funds by way of dividends or value transfer

from such Borrower. This could affect the Issuer's ability to service its payment obligations under the Bonds, which would have a material adverse effect on the Issuer's business, financial position, earnings and result.

Further, one Group Company, Jefast Borrower AB ("**Jefast Borrower**"), has entered into a credit agreement with Brunswick Real Estate Capital I, FCP-SIF, which contains provisions restricting dividends and value transfers from Jefast Borrower. The restriction applies if a default or a cash trap event is continuing under the agreement. A cash trap event occurs if certain financial covenants are breached, including if the net operating income (i.e. the rental income from certain properties received during a specific period) to debt service (i.e. repayments, prepayments and financial expenses for a specific period) is less than 1.7:1. Jefast Borrower and its subsidiaries represent approximately 15 per cent of the Group's total cash flow. If a cash trap event or a default occurs under the Brunswick credit agreement the Issuer will not be able to receive funds by way of dividends or value transfer from Jefast Borrower. This could affect the Issuer's ability to service its payment obligations under the Bonds, which would have a material adverse effect on the Issuer's business, financial position, earnings and result.

Security over assets granted to third parties

Subject to certain limitations from time to time, the Issuer may incur additional financial indebtedness and provide additional security for such indebtedness. If security is granted in favour of a third party debt provider, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Issuer, be subordinated in right of payment out of the assets being subject to security provided to such third party debt provider. In addition, if any such third party debt provider holding security provided by the Group were to enforce such security due to a default by any company within the Group under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and, ultimately, the financial position of the bondholders.

Currency risks

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

Corporate benefit limitations in providing security for third parties

If a limited liability company provides security for another party's obligations without deriving sufficient corporate benefit therefrom, the granting of security will require the consent of all shareholders of the grantor and will only be valid up to the amount the company could have distributed as dividend to its shareholders at the time the security was provided. If no corporate benefit is derived from the security provided, the security will be limited in validity. Consequently, any security granted by a subsidiary of the Issuer could therefore be limited which would have an adverse effect on the bondholders' security position.

Risks related to early redemption

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

No action against the Issuer and bondholders' representation

Under the Terms and Conditions for the Bonds, the bond trustee will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking unilateral actions against the Issuer or any other Group Company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer or any other Group Company and may therefore have no effective legal remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, may take unilateral action against the Issuer or any other Group Company (in breach of the Terms and Conditions for the Bonds). This could adversely affect an acceleration of the Bonds or other actions against the Issuer or any other Group Company.

To enable the bond trustee to represent bondholders in court, the bondholders and/or their nominees may have to submit separate written powers of attorney for legal proceedings. If the bondholders fail to submit such a power of attorney this could negatively affect the legal proceedings.

Under the Terms and Conditions for the Bonds, the bond trustee will in some cases have the right to make decisions and take measures that are binding upon all bondholders. Consequently, the actions of the bond trustee in such matters could impact a bondholder's rights under the Terms and Conditions for the Bonds in a manner that would be undesirable for some bondholders.

The rights of bondholders depend on the Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the Agent (being on the issue date Nordic Trustee & Agency AB (publ)) to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds will be subject to the provisions of the Terms and Conditions for the Bonds, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions for the Bonds are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders.

The Agent may be replaced by a successor Agent in accordance with the Terms and Conditions for the Bonds. Generally, the successor Agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor Agent with commercially acceptable terms or at all. Further, there is a risk that that the successor Agent would breach its obligations under the above documents or that insolvency proceedings would be initiated against it.

There is a risk that materialisation of any of the above risks will have a material adverse effect on the enforcement of the rights of the holders of the Bonds and the rights of the holders of the Bonds to receive payments under the Bonds.

Bondholders' meetings

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

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is each bondholder's and each succeeding investor's obligation to ensure that their respective offers and sales of the Bonds on the secondary market comply with all applicable securities laws. Should any investor violate the transfer restrictions that apply to the bonds there is a risk that such investor will violate applicable securities laws, which may have adverse consequences.

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

The Bonds will be affiliated to Euroclear's account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds will be carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear's account-based system for clearing, settlement, payment and other matters or functionalities in respect of the Bonds addressed by Euroclear's account-based system.

Amended or new legislation

The prospectus and the Terms and Conditions are based on Swedish law in force at the date of issuance of the Bonds. No assurance can be given on the impact of any possible future legislative measures, regulations, changes or modifications to administrative practices or case law.

Conflict of interests

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

THE BONDS IN BRIEF

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

Issuer	Jefast Holding AB (publ), Swedish Reg. No. 556721-2526.
The aggregate amount of the Bonds	The aggregate amount of the bond loan will be an amount of up to a maximum of SEK 500,000,000 of senior unsecured floating rate bonds due 2021. The Issuer may choose not to issue the full amount of Bonds on an issue date and may choose to issue the remaining amount of Bonds at one or more subsequent dates. At the date of this Prospectus, an initial amount of Bonds of SEK 200,000,000 was issued on 27 March 2017.
Number of Bonds	200.
ISIN	SE0009696313.
Issue Date	27 March 2017.
Issue Price	100 per cent of the Nominal Amount.
Interest Rates	Interest on the Bonds will be paid at a floating rate of three-month STIBOR (zero-floor) plus 5.45 per cent. per annum (for a historic development of STIBOR, please see riksbank.se/en/interest-and-exchange-rates/search-interest-rates-exchange-rates/).
Interest Payment Dates	27 June, 27 September, 27 December and 27 March of each year commencing on 27 June 2017. Interest will accrue from (but excluding) the Issue Date.
Nominal Amount	The Bonds will have a nominal amount of SEK 1,000,000 and the minimum permissible investment in the Bonds is SEK 1,000,000.
Status of the Bonds	The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions. The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, and: <ul style="list-style-type: none"> • shall at all times rank <i>pari passu</i> with all direct,

unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except those obligations which are mandatorily preferred by law;

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

Call Option..... The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 10.3 (*Voluntary Total Redemption*) of the Terms and Conditions.

Call Option Amount Call Option Amount means:

- (a) 103.00 per cent. of the Total Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on the date falling 36 months after the First Issue Date to, but not including, a date falling 42 months after the First Issue Date;;
- (b) 101.50 per cent. of the Total Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 42 months after the First Issue Date, to, but excluding, the Final maturity Date; and
- (c) Notwithstanding paragraph (b) above, provided that the redemption is financed by way of one or several Market Loans issues, at any time from and including the date falling 42 months after the First Issue Date to, but excluding, the Final Maturity Date, at an amount equal to 100.00 per cent. of the Total Nominal Amount together with accrued but unpaid interest.

Make Whole Amount..... means a price equivalent to the sum of:

- (a) the present value on the relevant record date of the remaining coupon payments (assuming that the Interest Rate for the period from the relevant redemption date to the First Call Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the redemption date to the First Call Date plus the Floating Rate Margin),

- less any accrued but unpaid interest, through and including the First Call Date;
- (b) the present value on the relevant record date of 103 per cent. of the Total Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (c) accrued (but unpaid) interest on the redeemed amount,

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

First Call Date	Means 27 March 2020.
Final Maturity Date	Means 27 March 2021.
Change of Control Event.....	<p>means the occurrence of an event or series of events whereby:</p> <p>(a) the Investors ceases to control and own, directly or indirectly, on a fully diluted basis at least fifty-one (51) per cent of the issued share capital, voting rights or the economic interest of the Issuer; or</p> <p>(b) the Investors ceases to have the ability to determine the composition of the majority of the board of directors of the Issuer.</p>
Investors.....	means Bo Jertshagen, ID No. 511202-3998, and any spouse, child, parent, brother or sister of Bo Jertshagen.
Mandatory Repurchase due to a Change of Control Event	means each Bondholders right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) Business Days following a notice from the Issuer of a Change of Control Event pursuant to Clause 11.1(b) in the Terms and Conditions (after which time period such right shall lapse).
Certain Covenants.....	<p>The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, <i>inter alia</i>:</p> <ul style="list-style-type: none"> • restrictions on making any changes to the nature of their business;

- a negative pledge, restricting the granting of security on Financial Indebtedness (as defined in the Terms and Conditions);
- limitations on the making of distributions and disposal of assets; and
- restrictions on the ability to issue Market Loans (as defined in the Terms and Conditions).

The Terms and Conditions contain maintenance tests according to which the Issuer shall ensure that the LTV Ratio, at all times does not exceed 80 per cent., and that the Interest Coverage Ratio is greater than 1.25:1. calculated in accordance with the calculation principles set out in Clause 12.3 (*Calculation Adjustments*), on a consolidated basis and based on the most recently delivered Financial Report and Valuations.

Each of these covenants is subject to significant exceptions and qualifications, see the Terms and Conditions.

Use of Proceeds	The Net Proceeds from the issuance of the Bonds (the Initial Bonds and all Subsequent Bonds) shall be applied towards (i) financing general corporate purposes of the Group (including acquisitions of properties in Sweden and investments in the Properties and refinancing of any external debt) and (ii) financing Transactions Costs.
Transfer Restrictions	Subject to certain transfer restrictions set out in Clause 5 in the Terms and Conditions, the Bonds are freely transferable. The Bonds have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Bonds are subject to restrictions on transfer and may only be offered or sold in transactions that are exempt from the registration requirements of the U.S. Securities Act. For further restrictions, please see Clause 5 (<i>Transfer Restrictions</i>) of the Terms and Conditions.
Listing.....	Application has been made to list the Bonds on Nasdaq Stockholm.
Agent	Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879.
Issuing Agent	Carnegie Investment Bank AB, Swedish Reg. No. 516406-0138.
Governing Law of the Bonds.	Swedish law.

Risk Factors Investing in the Bonds involves substantial risks and prospective investors should refer to the section "*Risk Factors*" for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 17 March 2017, and was subsequently issued by the Issuer on 27 March 2017. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council and Chapter 2 of the Trading Act.

The board of directors is responsible for the information given in this Prospectus and neither the Arranger nor any of its representatives have conducted any efforts to confirm or verify the information supplied by the board of directors. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the board of directors' knowledge, in accordance with actual conditions and contains no omissions which may serve to render the information contained in this Prospectus misleading or incorrect.

17 May 2017

Jefast Holding AB (publ)

The board of directors

DESCRIPTION OF MATERIAL AGREEMENTS

The Group has not entered into any material contracts that are outside the ordinary course of its business and which may affect the Group's ability to fulfil its obligations under the Bonds.

DESCRIPTION OF THE GROUP

History and development

The Issuer, Jefast Holding AB (publ), was incorporated on 22 January 2007 and is a Swedish public limited liability company operating under the laws of Sweden with reg. no. 556721-2526.

The registered office of the Issuer is Norregatan 2, 263 39 Höganäs and the Issuer's headquarters is located at the same address, with telephone number 042-361200.

In accordance with the articles of association of the Issuer, adopted on 12 May 2015, the objects of the Issuer are to conduct property management and thereto compatible business.

Business and operations

The Issuer and its subsidiaries is a Swedish privately owned real estate group, focused on long-term asset management, development and property management of properties in southern Sweden. The Group also owns a hotel in Florida, USA. The Group's primary business model is to be an active property owner and to effectively manage and develop their own real estate market in northwest Skåne in Sweden with adequate housing and premises. The Issuer uses in-house staff for property management as it enables them to work actively with refinement of the portfolio to increase the market value, both on a daily basis and through longer term development projects, and uses diversification and extension of leases in order to reduce concentration risk.

Business model and market overview

The property portfolio consists of 40 properties with a market value of SEK 2,458,000,000. Jefast Group's Swedish organization consisted of 14 people by year-end. The organization is responsible for the financial and technical management and Jefast Byggservice AB works with both internal and external services.

The Group's target properties are located in Höganäs, Helsingborg, Åstorp or the close surroundings. The Group strives to increase the proportion of residential properties but commercial properties are purchased selectively to ensure healthy cash flow, a long-term goal of the Group is that it shall be composed of 70 per cent residential and 30 per cent commercial real estate. The target is to have an average total yield of 6-7 per cent. Long term goals include expanding the real estate portfolio to a value of approximately SEK 3,000,000,000 by the end of 2020 (just by finalising Holland 25 the value would increase to approximately SEK 2,800,000,000) Jefast owns 37 properties in Sweden, all located in Höganäs, Helsingborg and Åstorp. In Höganäs, Jefast is the largest private property owner with 432 apartments and 23 878 sq. m. of commercial space. The portfolio in Helsingborg is more focused on commercial properties with 42 674 sq. m. commercial space and 128 apartments, all located in the central part of the city. Economic vacancy rate was 4 per cent, 0,5 per cent vacancy for apartments and 6,7 per cent for commercial, in the Swedish portfolio as per 31 December 2016. The ten largest tenants generate approximately 14,7 per cent of total rental income in Sweden.

Höganäs, Helsingborg and Åstorp are located in the northwestern part of Skåne. Helsingborg is the largest city in the area with a population of around 135,000. Northwestern Skåne is part of the Öresund region which is the largest transnational metropolitan area in Scandinavia with a total population of almost 4 million.

Hotel in Fort Lauderdale,

The Group owns a hotel in the USA called the Pelican Grand Beach Resort. The hotel is located in Fort Lauderdale, Florida, around 37 km north of Miami on the Atlantic coast. The hotel is a condominium hotel that has 156 rooms of which 132 are owned by the Group. The Group acquired several condos during 2015 and the long-term goal is to acquire all condos. Operations of the hotel are managed by Nobel House and Nobel House currently has around 180 employees working at the hotel whose salaries are paid by the Group.

Holland 25

The Group is currently remodelling the former shopping center, Holland 25, into a new commercial center in the city of Helsingborg. Skanska has been contracted and the construction work started in January 2016. The existing shopping center was vacated in order to start the renovation and construction of the new commercial center with additional area and a new 19-story residential building on top of the building's northeast corner. The Issuer works with property investments in order to maximize rental income and minimize operating costs.

By 31 December 2016 the economic occupancy rate was 85 per cent. The Issuer uses TAM Retail to develop the market place and to find the final tenants, currently with several ongoing discussion with potential tenants for the remaining spaces. Contracts have been signed with several tenants including SF Bio Filmstaden, Hemköp and New York Legends sports bar. Building permits have been obtained and planning of framework documents that form the basis for the construction has been developed. Holland 25 is expected to be ready to open in Q1 2018. The zoning and planning was approved during 2016 for the residential building. The Group invested SEK 80,000,000 during 2016 and it is estimated that the Group will invest approximately SEK 300,000,000 in Holland 25 during 2017-2018 to finalize the property developments. As a result of the Holland 25 project revenues have fallen sharply since the mall is largely vacant. In connection with the project there have also been exit costs, and the Group has had ongoing running costs.

Share capital and ownership structure

The shares of the Issuer are denominated in SEK. Each share carries one vote. The B-shares has got preferential rights for dividends up to SEK 15,165,000 after which C-shares has got preferential rights for dividends between SEK 15,165,000 and SEK 25,275,000. Then all dividends accrues to the A-shares. As of the date of this Prospectus, the Issuer had an issued share capital of SEK 500,000 divided into 4625 shares of series A, 225 shares of series B and 150 shares of series C. The Issuer has issued a total of 5000 shares.

The following table sets forth the ownership structure in the Issuer as per the date of this Prospectus.

<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital</i>	<i>Voting Rights</i>
Bo Jertshagen	4605	92,1 per cent	92,1 per cent
Bo Jertshagen (via Induere AB, reg. no. 556767-3941)	395	7,9 per cent	7,9 per cent
Total	5000	100.00 per cent	100.00 per cent

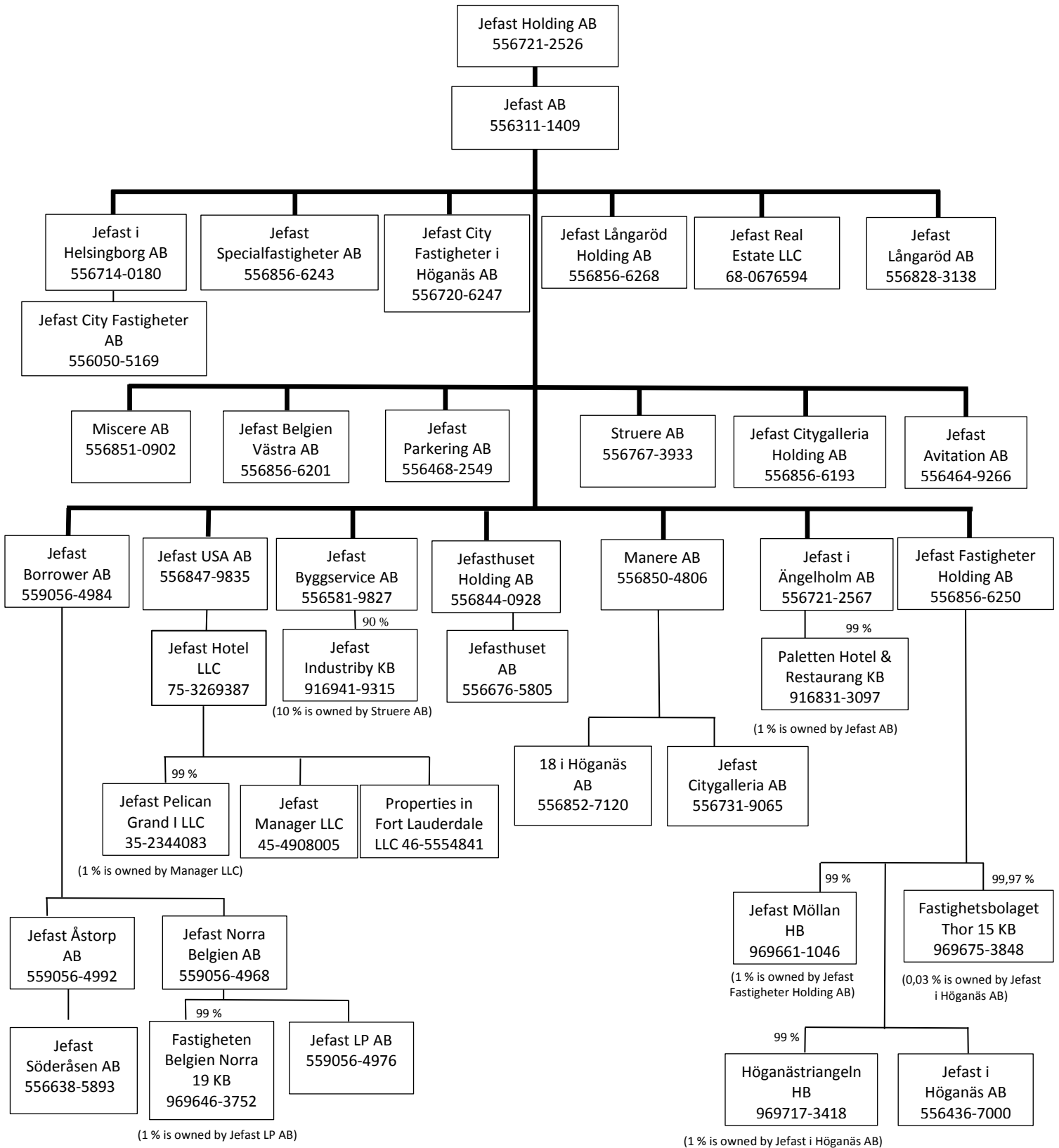
Major shareholder: 100 per cent directly and indirectly.

Bo Jertshagen is a member of the board of directors and the sole owner of Jefast Holding AB (publ). He has continuously taken an active operational role in the company since 1977.

Overview of Group structure

Currently, the Issuer has, directly and indirectly, 39 wholly-owned subsidiaries. The Issuer is a holding company and holds no significant assets other than the investments in its direct and indirect subsidiaries. All operations are conducted by the subsidiaries and the Issuer is thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds.

The structure of the Group, including its subsidiaries, is set out below (see next page).



Recent events

Acquisitions

The property "Flora" was acquired in February 2016 and is located in the center of Höganäs, with 7 apartments and 805 square meters of commercial area. This property fits very well in the Groups strategy.

In April 2016, a larger acquisition was made and the group bought for the first time apartments in Åstorp. The Municipality of Åstorp is located 10 minutes drive from Helsingborg thus making it a popular place to live. The properties are all located in the same area and consists of 371 apartments with a total area of 27,191 square meters.

In May 2016, a large property was acquired from Wihlborgs in the city center of Helsingborg. The property consist of 33 apartments and 6,237 square meters of commercial space. Some of the larger tenants are Capio Cityklinik, Tingsrätten and The Helsingborg Municipality. This property is located next to the Groups large commercial center, Holland 25.

Projects

During the beginning of 2016 the commercial spaces in Höganäs 34:69 were converted into three apartments. The move in date was June 15 2016 and the added rental income for this property is SEK 220,000 on a yearly basis.

The Municipality of Höganäs signed contract with the Group to rent 80 per cent of Lerberget 49:710 thus making the occupancy rate of this property 100 per cent. The Group entered into a fifteen year long lease agreement and has adjusted the premises to fit the new tenant. This was an investment of approximately SEK 20,000,000 and has increased the value of the property from SEK 33,000,000 to SEK 55,000,000 and an added yearly rental income of SEK 3,800,000.

The Group is continuing its large remodelling of Holland 25 and has signed with Skanska as the project manager. Phase one and two are scheduling to be finished Q1 2018 including the commercial spaces and the movie theatre, the third phase including the 19 story apartment building is scheduled to be finalised in 2019.

Other events

In the second quarter of 2016 the general manager of the hotel in USA was let go. Heidi Dennis was appointed as new general manager and started her position in September 2016.

Significant change and trend information

There has been no material adverse change in the prospects of the Group and no significant change in the financial or trading position of the Group since its last audited annual accounts was published on 28 April 2017.

Legal and arbitration proceedings

Neither the Issuer nor the Group is, or has been over the past twelve months been, a party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. Nor is the Issuer aware of any such proceedings which are pending or threatening and which could lead to the Issuer or any member of the Group becoming a party to such proceedings.

Credit rating

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

MANAGEMENT

The board of directors of the Issuer currently consists of three members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Norregatan 2, 263 39 Höganäs. Further information on the members of the board of directors and the senior management is set forth below.

Board of directors

Bo Jertshagen, chairman of the board since 2007.

Current commitments: Bo is the sole owner and chairman of Jefast Holding AB.

Cassandra Jertshagen, member of the board since 2014.

Education: Bachelor in Business Administration, Copenhagen Business School.

Current commitments: Cassandra works with business development and is a board member of Jefast Holding AB.

Cassandra is also a board member in the board of directors of Handelsplats Höganäs.

Martin Persson, member of the board since 2014.

Education: Master of Science in civil engineering, University of Lund.

Current commitments: Martin is the CEO and board member of Jefast Holding AB.

Management

Martin Persson, CEO of the Group

Maria Jonasson, CFO of the Group since 2016

Education: Master of Science in Business, Economics and accounting.

Current commitments: CFO of the group with reporting responsibilities.

Conflicts of interest within administrative, management and control bodies

There are no conflicts of interest between the duties of the board members or the management team in respect of the Group and their private interests or other commitments.

Interest of natural and legal persons involved in the issue

The Arranger and/or its affiliates have engaged in, and may in future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Arranger and/or

its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

HISTORICAL FINANCIAL INFORMATION

Historical financial information

The Group's consolidated financial statements for the financial year ended 31 December 2016 and the figures for the financial year ended 31 December 2015 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus.

The Group's consolidated financial statements for the financial years ended 31 December 2016 and 31 December 2015 have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the EU.

The Group's consolidated financial statements for the financial year ended 31 December 2016 have been prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as adopted by the EU. The Group's consolidated financial statement for the year ended 31 December 2015 has been prepared in accordance with the Swedish Generally Accepted Accounting Principles ("**Swedish GAAP**"). Further, for the purpose of this Prospectus and the subsequent listing of the Bonds, the Group's consolidated financial statements for the financial year ended 31 December 2015 have also been prepared in accordance with IFRS ("**2015 IFRS Statements**").

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

The Group's consolidated financial statements for the financial year ended 31 December 2016 is incorporated into this Prospectus by reference (please see <http://jefast.se/Global/DisplayDocument.ashx?guid=d89a9645-6520-4e6b-87fa-bbc9f47e397a>). For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 16;
- consolidated balance sheet, page 18;
- consolidated cash flow statement, page 20;
- the notes, page 25-58;
- consolidated statement of changes in equity, page 19; and
- the audit report, page 61 - 62.

The Group's consolidated financial statements for the financial year ended 31 December 2015 is incorporated into this Prospectus by reference (please see <http://jefast.se/Global/DisplayDocument.ashx?guid=364f434c-46fc-4093-b06d-6ad21c413516>). For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 6;
- consolidated balance sheet, page 7;
- consolidated cash flow statement, page 10;
- the notes, page 19-31;
- consolidated statement of changes in equity, page 27; and
- the audit report, page 32.

The 2015 IFRS Statements is incorporated into this Prospectus by reference (please see <http://jefast.se/Global/DisplayDocument.ashx?guid=aeafc659-3b57-482b-8a19-85abb2493083>). For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 8;
- consolidated balance sheet, page 10;
- consolidated cash flow statement, page 13;
- consolidated statement of changes in equity, page 12; and
- the notes, page 53-58.

Factors affecting comparability of the historical financial information

The financial information for the financial year ended 31 December 2015 was prepared in accordance with Swedish GAAP. The Group has since then changed its accounting principles to IFRS and the consolidated financial statements for the financial year ended 31 December 2015 have therefore also been prepared in accordance with IFRS. For comparability between the Issuer's financial periods, please review the relevant financial information set out in the Issuer's 2016 financial statements prepared in accordance with IFRS compared with the corresponding financial information for the Issuer's 2015 financial statements prepared in accordance with Swedish GAAP. The Issuer's 2015 financial statements may the subsequently be compared with the 2015 IFRS Statements in order to obtain (i) a comparison between the Issuer's 2015 financial statements prepared in accordance with Swedish GAAP and the 2015 IFRS Statements, and consequently (ii) an indirect comparison between the Issuer's 2016 financial statements prepared in accordance with IFRS and the 2015 IFRS Statements.

Auditing of the annual historical financial information

The Issuer's consolidated financial statements as at present and for the years 2015 to 2016 and the 2015 IFRS Statements have been audited, as applicable, by EY, Nytorrgatan 14, 262 31 Ängelholm. EY has been the Issuer's auditor since 2013, and was re-elected for an additional year on the latest annual general meeting. Henrik Nilsson is the auditor who is responsible for the Issuer. Henrik Nilsson is an authorized auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

The auditing of the consolidated financial statements was conducted in accordance with international standards on auditing and the audit reports were submitted without comment.

Age of the most recent financial information

The most recent financial information has been taken from the consolidated financial statements for the financial year ended 31 December 2016, which was published on 28 April 2017 on the Issuer's website jefast.se.

OTHER INFORMATION

Assurance regarding the Prospectus

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

Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an initial amount of SEK 200,000,000 on 27 March 2017 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of SEK 500,000,000. Each Bond has a nominal amount of SEK 1,000,000. The ISIN for the Bonds is SE0009696313.

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

Material contracts

The Group has not entered into any material contracts that are outside the ordinary course of its business and which may affect the Group's ability to fulfil its obligations under the Bonds.

Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders.

Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's website at jefast.se:

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2016;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2015; and
- the 2015 IFRS Statements.

Documents available for inspection

The following documents are available at the Issuer's headquarters at Norregatan 2, 263 39 Höganäs, on weekdays during the Issuer's regular office hours throughout the period of validity of this Prospectus.

- the Issuer's articles of association;
- the Issuer's certificate of registration;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015;
- the 2015 IFRS Statements;
- the financial statements and audit reports for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015 for each company within the Group (to the extent such Group companies were incorporated during 2016 or 2015 and have issued financial statements and audit reports for such financial years); and
- this Prospectus.

The following documents are also available in electronic form on the Issuer's website jefast.se:

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015;
- the 2015 IFRS Statements; and
- this Prospectus.

Listing costs

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 125,000.

TERMS AND CONDITIONS OF THE BONDS

1. Definitions and Construction

1.1 Definitions

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

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

"**Accounting Principles**" means 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 Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate of the Issuer, irrespective of whether such person is directly registered as owner of such Bonds.

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

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

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

"**Ambolt Downstream Loans**" means the downstream loans in an aggregate amount of SEK 54,658,958 already made or to be made by Jefast USA AB to Jefast Hotel LLC in accordance with the Ambolt Loan Agreement.

"**Ambolt Loan Agreement**" means the SEK 49,005,376 loan agreement dated 12 May 2015 between Jefast USA AB, Jefast AB and Ambolt S.A. SICAV-SIF Ambolt Mezzanine Fund.

"**Bondholder**" 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.

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 17 (*Bondholders' Meeting*).

"**Bonds**" means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are

governed by and issued under these Terms and Conditions, including the Initial Bonds and the Subsequent Bonds.

"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" means the Issuer's right to redeem outstanding Bonds in full in accordance with Clause 10.3 (*Voluntary Total Redemption*).

"Call Option Amount" means:

- (a) 103.00 per cent. of the Total Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on the date falling 36 months after the First Issue Date to, but not including, a date falling 42 months after the First Issue Date;
- (b) 101.50 per cent. of the Total Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 42 months after the First Issue Date, to, but excluding, the Final maturity Date; and
- (c) Notwithstanding paragraph (b) above, provided that the redemption is financed by way of one or several Market Loans issues, at any time from and including the date falling 42 months after the First Issue Date to, but excluding, the Final Maturity Date, at an amount equal to 100.00 per cent. of the Total Nominal Amount together with accrued but unpaid interest.

"Cash" means, at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a Group Company with a bank and to which a Group Company is alone (or together with other Group Companies) beneficially entitled and for so long as:

- (d) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any Group Company or of any other person whatsoever or on the satisfaction of any other condition;
- (e) there is no Security over that cash except for any permitted Security constituted by a netting or set-off arrangement entered into by Group Companies in the ordinary course of their banking arrangements; and
- (f) the cash is freely and (except as mentioned in paragraph (a) above) immediately available to be applied in repayment or prepayment of the of the indebtedness incurred under the Finance Documents.

"Cash Equivalent Investments" means, in respect of any member of the Group, and at any time, (i) immediately available funds at bank or postal accounts and (ii) marketable debt securities held for cash management purposes that can be realised promptly and which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, or, if no rating is available in respect of the commercial paper or debt securities, the issuer of which has, in

respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating.

"Change of Control Event" means the occurrence of an event or series of events whereby:

- (d) the Investors ceases to control and own, directly or indirectly, on a fully diluted basis at least fifty-one (51) per cent of the issued share capital, voting rights or the economic interest of the Issuer; or
- (e) the Investors ceases to have the ability to determine the composition of the majority of the board of directors of the Issuer.

"Compliance Certificate" means a certificate, in form and substance satisfactory to the Agent, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it. If the Compliance Certificate is provided in connection with a Financial Report that is made available, the certificate shall include calculations and figures in respect of the ratio of Interest Coverage Ratio and LTV Ratio.

"CSD" means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

"EBITDA" means, in respect of the Relevant Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items which are not in line with the ordinary course of business;
- (d) before taking into account any Transaction Costs;
- (e) not including any accrued interest owing to any member of the Group;
- (f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (i) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (j) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

"Environmental Law" means any applicable law or regulation which relates to:

- (k) the pollution or protection of the environment;
- (l) the conditions of the workplace; or
- (m) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the environment, including, without limitation, any waste.

"Environmental Permits" means any permit and other authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the real properties owned or used by any member of the Group.

"Event of Default" means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.9 (*Continuation of the Business*).

"Final Maturity Date" means 27 March 2021.

"Finance Documents" means these Terms and Conditions, the Agency Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

"Financial Indebtedness" means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is treated as a finance lease in accordance with the Accounting Principles applicable on the First Issue Date (a lease which in the accounts of the Group is treated as an asset and a corresponding liability);
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)-(f).

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

"Financial Report" means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available in accordance with Clause 11.1 (*Information from the Issuer*).

"First Call Date" means 27 March 2020.

"First Issue Date" means 27 March 2017.

"Floating Rate Margin" means 5.45 per cent.

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

"Initial Bonds" means the Bonds issued on the First Issue Date.

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

"Interest" means the interest on the Bonds calculated in accordance with Clauses 9(a) to 9(d).

"Interest Coverage Ratio" means the ratio of EBITDA to Net Finance Charges.

"Interest Payment Date" means 27 June, 27 September, 27 December and 27 March of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 27 June 2017 and the last Interest Payment Date shall be the relevant Redemption Date.

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

"Interest Rate" means STIBOR (3 months) plus the Floating Rate Margin *per annum*.

"Investors" means Bo Jertshagen, ID No. 511202-3998, and any spouse, child, parent, brother or sister of Bo Jertshagen.

"Issuer" means Jefast Holding AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556721-2526.

"Issuing Agent" means Carnegie Investment Bank AB, Swedish Reg. No. 516406-0138, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"**Jefast AB**" means Jefast AB, Reg. No. 556311-1409.

"**Jefast USA AB**" means Jefast USA AB, Reg. No. 556847-9835.

"**LTV Ratio**" means at any time in relation to the Group, the aggregate of the Net Interest Bearing Debt of the Group as a percentage of the aggregate Value of all Properties.

"**Maintenance Test**" means the test of the financial maintenance covenants as set out in Clause 12.1 (*Maintenance Test*).

"**Make Whole Amount**" means a price equivalent to the sum of:

- (a) the present value on the relevant record date of the remaining coupon payments (assuming that the Interest Rate for the period from the relevant redemption date to the First Call Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the redemption date to the First Call Date plus the Floating Rate Margin), less any accrued but unpaid interest, through and including the First Call Date;
- (b) the present value on the relevant record date of 103 per cent. of the Total Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (c) accrued (but unpaid) interest on the redeemed amount,

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

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

"**Material Adverse Effect**" means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the Group's ability to perform and comply with the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

"**Net Finance Charges**" means, for the Relevant Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid or payable by any member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, after deducting any interest payable for that Relevant Period to any member of the Group and any interest income relating to cash.

"**Net Interest Bearing Debt**" means the aggregate interest bearing debt (including also debt instruments with payment in kind interest) less Cash and Cash Equivalent Investments of the

Group in accordance with the applicable Accounting Principles of the Group from time to time (for the avoidance of doubt, excluding loans between members of the Group).

"Net Proceeds" means the proceeds from the issuance of the Bonds after deduction has been made for the Transaction Costs, payable by the Issuer to the Issuing Agent (if the Issuing Agent has requested that their respective fees and costs shall be deducted) and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

"Nominal Amount" has the meaning set forth in Clause 2(c).

"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.

"Proceeds Account" means a bank account of the Issuer held with a reputable bank, into which the Net Proceeds will be transferred and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Proceeds Account Pledge Agreement.

"Proceeds Account Pledge Agreement" means the pledge agreement entered into between the Issuer and the Agent on or about the First Issue Date in respect of a first priority pledge over the Proceeds Account and all funds held on the Proceeds Account from time to time, granted in favour of the Bondholders and the Agent (in its capacity as agent in accordance with the Agency Agreement).

"Property" means any real property owned by a member of the Group from time to time, jointly referred to as the **"Properties"**.

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

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

"Redemption Date" means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and Repurchase of the Bonds*).

"Reference Dates" means the last day of the period covered by the most recent Financial Report (being 31 March, 30 June, 30 September and 31 December each year).

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

"Relevant Period" means each period of twelve (12) consecutive calendar months ending on a Reference Date.

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

"**Securities Act**" means the U.S. Securities Act of 1933, as amended.

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

"**STIBOR**" means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

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

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

"**Swedish Government Bond Rate**" means:

- (a) the interpolated SGB rate between the SGB 1 December 2020 (series 1047) and the SGB 12 March 2019 (series 1052) (mid rates), as determined by the Issuing Agent on or about 11.00 am on the date of the notification of redemption; or
- (b) if no quotation is available pursuant to paragraph (a), the SGB rate which the Issuing Agent deems appropriate for the purpose of the calculation set out in this definition (acting reasonably); and

if any such rate is below zero, the Swedish Government Bond Rate will be deemed to be zero.

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

"Total Nominal Amount" means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

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

"U.S. Group Companies" means Jefast Hotel LLC, Reg. No. 75-3269387, Jefast Pelican Grand I LLC, Reg. No. 35-2344083, Jefast Manager LLC, Reg. No. 45-4908005, Jefast Real Estate LLC, Reg. No. 68-0676594, and Properties in Fort Lauderdale LLC, Reg. No. 46-5554841 (each a **"U.S. Group Company"**).

"Valuation" means a valuation report in relation to a Property specifying the Value of the Property, delivered in accordance with Clause 13.12 (*Valuations of the Properties*).

"Value" means the market value of a Property as set out in the most recent Valuation which must not be older than twelve months and which shall be prepared by a reputable appraiser (appointed by the Issuer).

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

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
 - (i) **"assets"** includes present and future real properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a **"regulation"** includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (iv) a provision of law is a reference to that provision as amended or re-enacted; and
 - (v) a time of day is a reference to Stockholm time.
- (b) An Event of Default is continuing if it has not been remedied or waived.
- (c) 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.
- (d) When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish kronog for the previous

Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

- (e) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. Status of the Bonds

- (a) The Bonds are denominated in Swedish kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The nominal amount of each Bond is SEK 1,000,000 (the "**Nominal Amount**"). The maximum Total Nominal Amount of the Initial Bonds is SEK 200,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) Provided that no Event of Default is continuing or would result from such issue, the Issuer may at one or more occasions issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the applicable ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 500,000,000.
- (e) Except as set out in Clause 5 (*Transfer Restrictions*) below, and subject to any restrictions to which a Bondholder may be subject due to local law or otherwise, the Bonds are freely transferrable. Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.
- (f) The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank pari passu with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations that are mandatorily preferred by law, and without any preference among them.
- (g) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. Use of Proceeds

The Net Proceeds from the issuance of the Bonds (the Initial Bonds and all Subsequent Bonds) shall be applied towards (i) financing general corporate purposes of the Group (including acquisitions of properties in Sweden and investments in the Properties and refinancing of any external debt) and (ii) financing Transactions Costs.

4. Conditions Precedent

- (a) The payment of the Net Proceeds to the Proceeds Account is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, to the Agent, in form and substance satisfactory to the Agent (acting reasonably):
 - (i) copies of constitutional documents of the Issuer;
 - (ii) copies of necessary corporate resolutions (including authorisations) for the Issuer to execute the relevant Finance Documents; and
 - (iii) evidence that the Finance Documents have been duly executed.
- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4(b) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation and evidence. The Agent does not have any obligation to review the document and evidence referred to in Clause 4(b) above from a legal or commercial perspective of the Bondholders.
- (d) When the conditions precedent for disbursement set out in Clause 4(b) have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account for the purpose of payments in accordance with Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account. The Agent shall transfer any residual funds of the Net Proceeds on the Proceeds Account, to the bank account specified by the Issuer.

5. Transfer Restrictions

- (a) No Bondholder may offer, sell, pledge or otherwise transfer any Bond except:
 - (i) to the Issuer;
 - (ii) to a person who the seller reasonably believes is a QIB within the meaning of Rule 144A under the Securities Act purchasing for its own account or for the account or benefit of a QIB in a transaction meeting the requirements of Rule 144A;

- (iii) outside the United States in compliance with Rule 903 or Rule 904, as applicable, of Regulation S under the Securities Act;
- (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available);
- (v) pursuant to any other available exemption from registration under the Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act; or
- (vi) pursuant to an effective registration statement under the Securities Act,

provided however that in each case a transfer is made in accordance with all applicable securities laws of the states of the United States and any other jurisdiction.

- (b) The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of more than four (4) months and a day from the date the Bonds were originally issued.
- (c) The Issuer makes no representation as to the availability of an exemption from registration provided by Rule 144 of the Securities Act.

6. Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall at all times 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.
- (d) For the purpose of or in connection with any Bondholders' Meeting under Clause 17 (*Bondholders' Meeting*) or any direct communication to the Bondholders under Clause 18 (*Written Procedure*), the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) 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 Bondholders.

7. Right to Act on Behalf of a Bondholder

- (a) If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.
- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 7(b) 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

- (a) Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant payment date.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect the payment of amounts according to the aforesaid, the CSD will pay such amount to the relevant Bondholder being registered as such on the Record Date as soon as possible after such obstacle has been removed.
- (c) 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(c) during such postponement.
- (d) 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.

9. Interest

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent

Bond will 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.

- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) 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).
- (d) 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.

10. Redemption and Repurchase of the Bonds

10.1 Redemption at maturity

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

10.2 Issuer's purchase of Bonds

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold, however, provided that no Bonds may be cancelled by the Issuer.

10.3 Voluntary Total Redemption

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full on any Business Day prior to the Final Maturity Date, at an amount per Bond equal to the Make Whole Amount or the Call Option Amount (as applicable), together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 10.3(a) shall be made by the Issuer giving not less than twenty (20) Business Days' notice prior to the relevant Redemption Date to the Bondholders and the Agent and in accordance with the instructions of the Issuer or the Issuing Agent, as applicable. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in full with the applicable amounts.

10.4 Mandatory Repurchase due to a Change of Control Event

- (a) Upon a Change of Control Event occurring, each Bondholder shall have the right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1(b) (after which time period such right shall lapse).
- (b) The notice from the Issuer pursuant to Clause 11.1(b) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall 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 11.1(b). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 10.4(a).

10.5 General

- (a) 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, 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 by virtue of the conflict.
- (b) Any Bonds repurchased by the Issuer pursuant to this Clause 10 may at the Issuer's discretion be retained or sold but not cancelled.

11. Information to Bondholders

11.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language to the Bondholders by publication on the website of the Issuer:
 - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, 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;
 - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, 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;
 - (iii) the year-end report (*Sw. bokslutskommuniké*) for such period; and

- (iv) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of Nasdaq Stockholm on which the Bonds are listed.
- (b) The Issuer shall immediately notify the Agent when the Issuer is or becomes aware of the occurrence of a Change of Control Event.
- (c) When the financial statements and other information are made available the Bondholders pursuant to paragraph (a) above, the Issuer shall send copies of such financial statements and other information to the Agent.
- (d) The Issuer shall:
 - (i) supply to the Agent, with each set of its financial statements, delivered pursuant to paragraph (a)(ii) above, for a period ending on a Reference Date, a Compliance Certificate setting out (in reasonable detail) computations as to compliance with the Maintenance Test as at the relevant Reference Date;
 - (ii) supply to the Agent together with its annual financial statements, delivered pursuant to paragraph (a)(i) above, Valuations for all Properties (if not already provided).
- (e) The first Compliance Certificate in relation to the Maintenance Test to be delivered by the Issuer in accordance with paragraph (d)(i) above shall be delivered by the Issuer to the Agent for the period ending on the Reference Date falling 31 March 2016. The Agent may assume that any information provided by the Issuer in the Compliance Certificate is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (f) The Issuer shall immediately notify the Agent (with full particulars) when the Issuer is or becomes aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (g) The Issuer is only obliged to inform the Agent according to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market 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 this Clause 11.1.
- (h) When and for as long as the Bonds are listed, the Issuer shall also make the information set out in paragraph 11.1(a) above available by way of press releases.

11.2 Information from the Agent

The Agent is entitled to disclose to the Bondholders 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 Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

11.3 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- (b) The latest versions of the other Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours.

12. Financial Testing

12.1 Maintenance Test

The Maintenance Test is satisfied if at all times:

- (a) the LTV Ratio does not exceed 80 per cent; and
- (b) the Interest Coverage Ratio is greater than 1.25:1.

both calculated in accordance with the calculation principles set out in Clause 12.3 (Calculation Adjustments), on a consolidated basis and based on the most recently delivered Financial Report and Valuations.

12.2 Testing

- (a) The calculation of the LTV Ratio for the Maintenance Test shall be made for the Relevant Period ending on the relevant Reference Date.
- (b) When the Interest Coverage Ratio is measured under the Maintenance Test the calculation of the Interest Coverage Ratio shall be made for the Relevant Period ending on the relevant Reference Date and calculated based on the most recently delivered Financial Report.
- (c) The first test date for the Maintenance Test is 30 June 2017.

12.3 Calculation Adjustments

- (a) The figures for EBITDA and Net Finance Charges for the Relevant Period ending on the relevant Reference Date shall be used, but adjusted so that entities acquired or disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), pro forma, for the entire Relevant Period.

(b) The figures for Net Finance Charges set out in the financial statements as of the most recent quarter date (including when necessary, financial statements published before the First Issue Date), shall be used, but adjusted so that Net Finance Charges for such period shall be:

- (i) Reduced to reflect any Net Finance Charges attributable to a disposed entity or which has been repaid, repurchased or otherwise discharged as a result of or in connection with a disposal of an entity (to the extent such Net Finance Charges are included in the relevant financial statements);
- (ii) increased on a pro forma basis by an amount equal to the Net Finance Charges directly attributable to (i) any Financial Indebtedness owed by acquired entities, and (ii) any Financial Indebtedness incurred to finance the acquisition of entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant test period; and

increased on a pro forma basis by an amount equal to the Net Finance Charges directly attributable to any Financial Indebtedness incurred under any Subsequent Bonds, calculated as if such debt had been incurred at the beginning of the relevant Relevant Period.

13. General Undertakings

13.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 13 for as long as any Bonds remain outstanding.

13.2 Distributions

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries:
 - (i) pay any dividend in respect of its shares (other than to the Issuer and any wholly-owned Subsidiary of the Issuer);
 - (ii) repurchase or redeem any of its own shares;
 - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to shareholders;
 - (iv) repay any loans granted by its direct or indirect shareholders or pay interest thereon (other than to the Issuer and any wholly-owned Subsidiary of the Issuer (other than to any U.S. Group Company));
 - (v) make any prepayments or repayments under any long-term debt ranking junior or pari passu with the Bonds;
 - (vi) grant any loans except to Group Companies;
 - (vii) grant any group contributions to any U.S. Group Company; or

(viii) make any other similar distribution or transfers of value to the Issuer's, or the Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders (other than to the Issuer and any wholly-owned Subsidiary of the Issuer (other than to any U.S. Group Company)),

(items (i)-(viii) above are together and individually referred to as a "Restricted Payment").

- (b) Notwithstanding the above the Issuer may make:
- (i) dividend distributions in a maximum aggregate amount per financial year of SEK 3,000,000, provided that no Event of Default is continuing or would result from such distribution; or
 - (ii) any Restricted Payments provided that 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 item (a) above) does not exceed 25 per cent. of the Group's net profit before tax (Sw. nettoresultat före skatt) (calculated net of any revaluation of assets) according to the annual audited financial statements for the previous financial year (and without accumulation of profits from previous financial year).

13.3 Nature of Business

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

13.4 Dealings with Related Parties

- (a) The Issuer shall, and shall procure that its Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies (other than U.S. Group Companies)) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.
- (b) No value transfers may be made from any Swedish Group Company to any U.S. Group Company.

13.5 Disposal of Assets

The Issuer shall not, and shall procure that none of its Subsidiaries, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

13.6 Negative Pledge

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will create or allow to subsist, retain, provide, prolong or renew any guarantee or security over

any of its/their assets (present or future) to secure any Market Loans (other than the Existing Bonds).

- (b) The Issuer shall not, and shall procure that none of its Subsidiaries incorporated in Sweden will create or allow to subsist, retain, provide, prolong or renew any guarantee or security for Financial Indebtedness incurred by a U.S Group Company other than security or guarantees provided to secure or guarantee Financial Indebtedness incurred by the U.S. Group Companies in a maximum aggregate amount of USD 42,000,000.

13.7 Market Loans

The Issuer shall not, and shall procure that none of its Subsidiaries will, issue any Market Loans (other than the Existing Bonds) that has a final maturity date or, when applicable, early redemption dates or instalment dates which occur before the Final Maturity Date.

13.8 Loans Out

The Issuer shall not, and shall procure that none of its Subsidiaries, provide any loan to any third party outside the Group and no Swedish Group Company may extend any loan to a U.S. Group Company other than the Ambolt Downstream Loans.

13.9 Listing of the Bonds

The Issuer shall ensure that (i) the Initial Bonds are listed on the corporate bond list of Nasdaq Stockholm within 60 days after the First Issue Date and with an intention to complete such listing within 30 calendar days after the First Issue Date, and (ii) any Subsequent Bonds are listed on the corporate bond list of Nasdaq Stockholm within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 30 days after the issuance of such Subsequent Bonds, and (iii) that the Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm, continue to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of Nasdaq Stockholm and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

13.10 Insurances

The Issuer shall (and shall ensure that each member of the Group will) maintain full value insurances and loss of rent insurances with reputable independent insurance companies on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

13.11 Environmental compliance and claims

The Issuer shall (and shall ensure that each member of the Group will):

- (a) comply with all Environmental Laws, including in relation to human health and conditions on workplace;
- (b) obtain, maintain and ensure compliance with all requisite Environmental Permits; and

- (c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law, in each case where failure to do so has or is reasonably likely to have a Material Adverse Effect.

The Issuer shall, promptly upon becoming aware of the same, inform the Agent of any claim, proceeding or investigation in respect of any such Environmental Law against any member of the Group which is current, pending or threatened where which, if determined against that member of the Group, has or is reasonably likely to have a Material Adverse Effect.

13.12 Valuations of the Properties

- (a) The Issuer shall once in every twelve-month period deliver a Valuation for all Properties, prepared and issued by an independent and reputable appraiser and addressed to the Agent. In addition the Agent may at anytime request a Valuation if the Agent has reason to believe that the LTV Ratio is breached.
- (b) All costs for the Valuation referred to in paragraph (a) above shall be borne by the Issuer.

14. Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.10 (*Acceleration of the Bonds*)) is an Event of Default.

14.1 Non-Payment

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless the non-payment:

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

14.2 Other Obligations

The Issuer or any other person (other than the Agent) does not comply with any provision under the Finance Documents, in any other way than as set out in Clause 14.1 (*Non-Payment*), provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

14.3 Cross-Acceleration

Any Financial Indebtedness of any Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 14.3 if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 10,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

14.4 Insolvency

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

14.5 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) days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:

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

14.6 Mergers and Demergers

A decision is made that any Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect.

14.7 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 10,000,000 and is not discharged within thirty (30) days.

14.8 Impossibility or Illegality

It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents to which it is a party or if the obligations under any Finance Documents to which it is a party are not, or cease to be, legal, valid, binding and enforceable.

14.9 Continuation of the Business

The Issuer or any other Group Company ceases to carry on its business or in the case of a merger or demerger as stipulated Clause 14.6 (*Mergers and Demergers*), if such discontinuation is likely to have a Material Adverse Effect.

14.10 Acceleration of the Bonds

- (a) If an Event of Default has occurred and is continuing, the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Bonds due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as, in the opinion of the Agent, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (c) If the right to accelerate 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 acceleration to be deemed to exist.

15. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) shall be applied in the following order of priority, in accordance with the instructions of the Agent:
 - (i) first, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 1.1.1(g) or paid to the Agent, and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16(c);
 - (ii) 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);
 - (iii) thirdly, in or towards payment pro rata of any unpaid principal under the Bonds; and
 - (iv) fourthly, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- (b) Funds that a Bondholder receives (directly or indirectly) in connection with the acceleration of the Bonds shall constitute escrow funds (*Sw. redovisningsmedel*) and must be promptly turned over to the Agent to be applied in accordance with this Clause 15 as soon as reasonably practicable.

16. Decisions by Bondholders

- (a) Any decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) 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 Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 7 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
 - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
 - (ii) on the Business Day specified in the communication pursuant to Clause 1.1.1(c), in respect of a Written Procedure,

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

The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 1.1.1(c):

- (i) a change to the terms of any of Clauses 2(a), 2(f) and 2(g);

- (ii) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);
 - (iii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;
 - (iv) a change to the definition "Interest Payment Date" or the definition "Interest Rate" set out in Clause 1.1 (*Definitions*);
 - (v) an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
 - (vi) a mandatory exchange of the Bonds for other securities;
 - (vii) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 14 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (e) Any matter not covered by Clause 0 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 1.1.1(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19(i) or 19(ii)).
- (f) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 0, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.
- (g) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 1.1.1(a)) or initiate a second Written Procedure (in accordance with Clause 1.1.1(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(f) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (h) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- (i) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

- (j) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (k) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (l) All reasonable costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (m) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies, 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.
- (n) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders 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 Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

17. Bondholders' Meeting

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 1.1.1(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 1.1.1(c), 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 Bondholders' Meeting in accordance with Clause 1.1.1(a).
- (c) The notice pursuant to Clause 1.1.1(a) 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 Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

- (d) The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

18. Written Procedure

- (a) The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(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 Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 1.1.1(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 1.1.1(a) shall include (i) each request for a decision by the Bondholders, (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 Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 1.1.1(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 0 and 16(e) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 0 or 16(e), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

19. Amendments and Waivers

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).

- (b) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 1.1.1(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- (c) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

20. Appointment and Replacement of the Agent

20.1 Appointment of Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf as set out in paragraph (a).
- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

20.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents. The Agent is not responsible for the content, valid execution, legal validity or enforceability of the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

- (c) The Agent's duties under this Agreement are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms and Conditions and upon instructions from the Bondholders, unless otherwise set out in these Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person.
- (d) The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.
- (e) The Agent is entitled to delegate its duties to other professional parties, provided that such professional parties are selected with due care.
- (f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (g) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all reasonable costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of Proceeds*).
- (h) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) 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 Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (j) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.

20.3 Limited liability for the Agent

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, 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.
- (d) The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 16 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 14.10(a).
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other person.

20.4 Replacement of the Agent

- (a) Subject to Clause 1.1.1(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 1.1.1(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent with immediate effect 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.
- (c) A Bondholder (or Bondholders) 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 Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written

Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.

- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, 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.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) 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.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement.

21. Appointment and Replacement of the Issuing Agent

- (a) 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.
- (b) The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

22. No Direct Actions by Bondholders

- (c) A Bondholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company

reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.

- (d) Clause 1.1.1(c) shall not apply if the Agent has been instructed by the Bondholders in accordance with these Terms and Conditions to take certain actions but is legally unable to take such actions.

23. Prescription

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

24. Notices

- (a) Subject to Clause 1.1.1(d), any notice or other communication to be made under or in connection with the Finance Documents:
- (i) 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;
 - (ii) if to the Issuer, to the following address:

Jefast Holding AB (publ)
Att: Board of directors, CFO, CEO
Norregatan 2
263 39 Höganäs
Sweden
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (to the extent it is possible to deliver by way of courier to the addresses registered with the CSD) or letter for all Bondholders.
- (b) Any notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- (c) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal

delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 1.1.1(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 1.1.1(a).

- (d) If an Event of Default is continuing, any notice or other communication made by the Agent to the Issuer under or in connection with the Finance Documents may, provided that the Agent deems it necessary in order to preserve the Bondholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Agent), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Agent to the Issuer in accordance with this paragraph (c) shall be sent to the CFO or the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Agent.

25. Governing Law and Jurisdiction

- (a) 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.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).
- (c) Paragraphs (a) and (b) above shall not limit the right of the Agent (or the Bondholders, 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.

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