



Apikal  
Fastighetspartner

**ADMISSION TO TRADING ON NGM  
OF A MAXIMUM AMOUNT OF  
SEK 400,000,000 PARTICIPATION LOAN DEBENTURES**

*issued by*

**Apikal Fastighetspartner AB (publ)**

*(incorporated under the laws of Sweden as a public limited liability company (Sw. publikt aktiebolag) with corporate registration number 556921-1708)*

APIKAL FASTIGHETSPARTNER AB (publ) (the “**Issuer**”) has issued a total of 113 participation loan debentures (the “**Debentures**”) in a total aggregate principal amount of SEK 113,000,000. The Debentures are issued for the purpose of financing, *inter alia*, the Issuer’s provision, primarily in the commercial real estate market, of loans to real estate owners.

This prospectus (the “**Prospectus**”), dated 3 June 2015, has been approved by Finansinspektionen, which is the Swedish competent authority for the purpose of Directive 2003/71/EC (the “**Prospectus Directive**”). Application has been made for the Debentures to be admitted to listing on the official list and trading on the Nordic Derivatives Exchange (NDX), a regulated market operated by Nordic Growth Market NGM AB (“**NGM**”). The Prospectus contains the information necessary to fulfil the requirements of the Prospectus Directive and the information specifically requested in its annexes 9 and 13.

The Prospectus constitutes a prospectus for the purpose of Article 5 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the Debentures which, according to the particular nature of the Issuer and Debentures, is necessary to enable investors to make an investment decision and an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and of the rights attaching to the Debentures.

The Prospectus does not constitute an offer to sell or a solicitation of an offer to buy the Debentures and no person is authorised to give any information or make any representation not contained in this Prospectus in connection with the Debentures and, if given or made, such information or representation must not be relied upon as having been authorised. The delivery of this Prospectus (including the offering, sale or delivery of any Debenture) does not imply that there has been no change in the business and affairs of the Issuer since the date hereof or that the information herein is correct as of any time subsequent to such date.

The Prospectus may not be distributed in any jurisdiction other than Sweden where such distribution is restricted by law or regulation, or requires further measures by the Issuer. Persons who come into possession of this Prospectus are required to inform themselves about, and to observe, such restrictions. The Debentures have not and will not be registered under the U.S. Securities Act of 1933, as amended, and are not subject to U.S. tax law requirements. Subject to certain exemptions, the Debentures may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

The Debentures have been registered with the central securities depository, Euroclear Sweden AB, in the denomination of SEK 1,000,000. This amount may subsequently be reduced as set out in the Terms and Conditions (as defined below).

The Debentures are registered on behalf of the Debentureholders on a VP Account and are in book-entry form. No physical debentures will be issued.

All references in this document to “SEK” and “Swedish Kronor” are to the lawful currency of Sweden and all references to “EUR” and “Euro” are to the single currency of the participating member states in accordance with the legislation European Community relating to the Economic and Monetary Union.

Each potential investor must determine the suitability of the investment in the Debentures. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Debentures, the merits and risks of investing in the Debentures, and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Debentures and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Debentures;
- (d) understand thoroughly the terms of the Debentures and be familiar with the behaviour of markets in which the Issuer invests; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment the Debentures and its ability to bear the applicable risks.

This Prospectus is governed by Swedish law. Any and all disputes arising out of or in connection with this Prospectus shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce.

#### FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements relating to the Issuer’s financial position, business strategy, plans and objectives of management for future operations (including objectives relating to the Issuer’s businesses). When used in this document, the words “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “aims”, “seeks”, “may”, “will”, “should” and any similar expressions generally identify towards forward-looking statements. These forward-looking statements are found in Section 1 (*Risk factors*), as well as other sections of this document. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer’s present and future business strategies and the environment in which the Issuer will operate in the future. These assumptions reflect the best judgment of the management but involve uncertainties and are subject to certain risks the occurrence of which could cause actual results to differ materially from those predicted in the Issuer’s forward-looking statements and from past results, performance or achievements. Although the Issuer believes that the estimates and the projections reflected in its forward-looking statements are reasonable, if one or more of the risks or uncertainties materialise or occur, including those which the Issuer has identified in this Prospectus, or if any of the Issuer’s underlying assumptions prove to be incomplete or incorrect, the Issuer’s actual results of operations may vary from those expected.

These forward-looking statements speak only as of the date of the Prospectus. Except to the extent required by law, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Prospectus any updates or revisions to any forward-looking statements made in this Prospectus, whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements are attributable to the Issuer or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Debentures should not place undue reliance on these forward-looking statements.

Moreover, no assurance can be given that any of the historical information, data, trends or practices mentioned and described in this Prospectus are indicative of future results and events.

## **DEFINITIONS**

Terms not otherwise defined in this Prospectus shall have the meaning given to them in the terms and conditions for Apikal Fastighetspartner AB (publ) maximum 400,000,000 Participation Loan, Series IV dated 7 January 2015, as attached hereto (the “**Terms and Conditions**”).

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## 1. RISK FACTORS

*Potential investors should consider and make their own assessment of the following risk factors before investing in the Debentures. Potential investors should also inform themselves of, and where appropriate consult their professional advisers, as to the tax consequences of application for buying, holding, exchanging, redeeming or otherwise disposing of Debentures under the law of their country of citizenship, residence or domicile. The following risk factors constitute the risk factors of which the Issuer currently is aware, and should not to be regarded as a complete description of all risks associated with investing in the Debentures.*

*The investments made by the Issuer are subject to market fluctuations and other risks relating to investments in loans and other debt obligations. There is risk that the value of the Portfolio depreciates, and that no net annual return will be achieved. The value of the investments and the income derived from them may fall as well as rise and the Debentureholders may not recoup the original amount invested in the Debentures. There is a risk that the investment objectives of the Issuer will not be achieved.*

*Factors such as (i) increased interest rates (market rates generally as well as expected margins relating to certain credit risks), (ii) increased taxes and fees on corporate earnings, dividend and securities trading, (iii) weakening of local or global economies, and (iv) political changes and changes in laws and regulations, could negatively affect the debt and capital markets and consequently the value of the investments made by the Issuer and the income derived from them.*

### 1.1 Risks relating to the Issuer

#### 1.1.1 An investment in the Debentures entails a credit risk in the Issuer

Investors in the Debentures assume a credit risk relating to the Issuer. While the Issuer's payments of interest towards the Debentureholders are linked to the performance of the Loans, the overall performance of and the ability of the Issuer to fulfil its obligations are dependent on several internal and external factors. Such factors may include the due service by the borrowers to which the Issuer has provided loans using funds raised in connection with the issuance of additional PLI Series of the provided to them by the Issuer.

#### 1.1.2 The Issuer's financial performance is affected by the inclination of borrowers to repay, which is influenced by general economic conditions

The loans will primarily be in the form of mezzanine debt provided to real property owners, meaning that a property owner, in addition to senior loans granted by a bank or another lender, will be able to borrow additional funds. In general, mezzanine debt is characterized by that the Borrower has a high level of indebtedness, thus increasing the risk that ground for termination occurs under the loan documentation. A Borrower with a high level of indebtedness in relation to its equity, income and cash flow will be less prepared to deal with, *inter alia*, decreases in rental rates and high vacancy figures, as well as necessary repairs and refurbishments. Moreover, a high level of indebtedness can result in that repayments and interest charges amount to a substantial share of the

Borrowers cash flow. As a result, it is more probable that Borrowers with high levels of indebtedness will be unable to service their loans and pay interest charges than Borrowers with low levels of indebtedness. Adverse changes in repayment possibilities of the Issuer's debtors arising from a general deterioration in economic conditions or interest rates, increased vacancy rates or changes in real estate prices could affect repayment of the loans provided by the Issuer and the value of the Issuer's assets.

#### 1.1.3 Loans may be unsecured or secured by assets which are unrelated to the loans

The bank or lender which has granted the senior loan may have already taken security over the property and, as the case may be, taken securities over the shares in the property owning company. Thus, if such a situation would occur, there is a risk that the Issuer may not be able to secure its loans or will have to assume securities that are unrelated to the loans. Moreover, any security provided to the Issuer is subject to certain hardening periods during which times the Issuer does not fully, or at all, benefit from the security.

Further, if security is provided in the form of the shares of any company, such company may, in the case of an enforcement of the security, be subject to foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative proceedings, or other bankruptcy or insolvency proceedings, and the shares that are subject to such share pledge may then be of limited value, in particular if the company has any obligations that must be satisfied, potentially leaving no assets in the company for the Issuer. As a result, the Issuer may not be able to recover the full value (or any value in the case of an enforcement sale) of such pledged shares.

In addition, the value of any security (be it a pledge over shares or a pledge over any other assets) may decline over time. If the proceeds of an enforcement sale are insufficient to repay all amounts due towards the Issuer, the Issuer will only have an unsecured claim against the borrower. In relation to unsecured claims, under bankruptcy law, certain debts and claims must be paid in priority to other debts and claims (for example, costs and expenses of a liquidator and certain payments to employees).

#### 1.1.4 Specific aspects of Swedish real property mortgages

A Swedish real property mortgage will cover only the real property in which it has been taken out (although it may be taken out in several properties at once) and does not cover any other property. A real property mortgage provides security over the real property covered by the real property mortgage up to a maximum amount equal to the lower of (i) the secured claim and (ii) 115% of the face amount of the real property mortgage certificate *plus* interest on such amount from the date of bankruptcy application at a rate corresponding to the official reference rate plus 4%. To the extent that any Borrowers' obligations are secured by real property mortgage certificates, the proceeds of any enforcement sale of the pledged real property mortgages may thus be insufficient to satisfy amounts then due or which accrue during such period towards the Issuer.

Moreover, an enforcement of the real property mortgage certificates cannot be done without the assistance of the Swedish Enforcement Authority. As a result, an enforcement process may take a substantial amount of time, under which time the value

of the real property in relation to which the real property mortgage certificates have been taken out may decline.

1.1.5 Corporate benefit limitations in providing security and guarantees in favour of third parties

When a Swedish limited liability company guarantees, or provides security for, another party's obligations or subordinates any of its rights to the benefit of a third party without deriving sufficient corporate benefit therefrom, the guarantee, security or subordination will only be granted if the consent of all shareholders of the grantor has been obtained and to the extent the amount the company granting the security, providing the guarantee or undertaking to subordinate any rights could have distributed it as a dividend to its shareholders at the time the guarantee, security or subordination was provided. To the extent no corporate benefit is derived from the provided guarantee, security or subordination undertaking, such guarantee, security or subordination will be limited in value as stated above. Consequently, the security or guarantee granted or subordination undertaken by a subsidiary of a borrower would be limited in accordance with the aforesaid, which could have an adverse effect on the Issuer's security position.

1.1.6 The loans will be subordinated to senior loans, and may be uncovered in the case of a price decline on the real property market

Although the Issuer will attempt to secure the loans with sufficient securities, mezzanine loans will generally be subordinated to senior loans. Thus, there is a risk that in the event of a borrower's inability to perform repayments and interest charges and the seizure of pledged assets to reimburse creditors, the Issuer will only be able to redeem repayment amounts and interest charges to the extent that such funds are not claimed by borrowers with senior loans.

1.1.7 Exchange rate fluctuations

Because the value of the Issuer's portfolio will be calculated in Swedish Kronor (SEK), the performance of the debt obligations granted to the Borrowers in other currencies than Swedish Kronor will also depend on the rate of such currencies and the interest rate environment in the country issuing the currency. Any decrease or increase in the Swedish Kronor exchange will affect the Issuer's financial position in relation to loans granted in other currencies than Swedish Kronor. Exchange rates may fluctuate substantially, which could materially and adversely affect the Issuer's financial condition and financial returns.

1.1.8 The Issuer's inability to make independent decisions on providing real property financing may result in the Issuer losing business opportunities

According to the Terms and Conditions, the Issuer is unable to make any decisions on granting any loans to Borrowers independently; rather, it may only do such real property financings where the specific commercial terms of each Loan have been fairly presented to or agreed to by the Debentureholders (such commercial terms of the Loans to be presented to the Debentureholders to include among other things parties, term, net interest rate expected to be charged to the Borrowers and Security) and that (i) the

Noteholders have been informed of prior to subscribing to the Debentures (and the relevant financing opportunities have thus formed part of the basis of the Debentureholder's decision to subscribe for Debentures) and/or (ii) have been approved by the Debentureholders following the rules for convening a Debentureholders' Meeting or a Written Procedure, applying *inter alia* the quorum rules set out in the Terms and Conditions, as applicable.

The Issuer's inability to make independent decisions on providing real property financing (and to make any investment decisions) and to provide Loans without following the aforementioned steps inhibits the flexibility of the Issuer. As a result, the Issuer may lose attractive financing opportunities with high interest rates. The Issuer may thus also be unable to fully invest its funds.

#### 1.1.9 Key personnel

The Issuer's ability to implement its business strategy successfully and to operate profitably and thus the future development of the Issuer itself is highly dependent on the efforts of certain key executives. The Issuer has a small organization which increases its dependence on the results of such key executives' work. Martin Fredriksson and Thomas Olsson are the Key Executives of the Issuer and have been employed by the Issuer since 25 August 2014. The success of the Issuer and the Issuer's business will, also going forward, be highly dependent on the efforts of the Key Executives. If the Key Executives would be unable to perform their duties, or if they cannot be replaced with new Key Executives with relevant expertise and knowledge in a timely manner should they need to be replaced, the operations of the Issuer as currently anticipated may be negatively affected.

#### 1.1.10 Compliance with the Terms and Conditions

The Debentureholders' ability to receive payment in accordance with the Terms and Conditions is dependent on the Issuer complying with its obligations under the Terms and Conditions, and would be adversely affected if the Issuer would go bankrupt or become insolvent.

Any taxes related to the management fee payable to the Shareholders and taxes on the Issuer's income shall, pursuant to the Terms and Conditions, not affect the Debentureholders' right to payment of interest and principal. If the Issuer and/or the Shareholders do not pay such taxes or offset them against losses, the Debentureholders' ability to receive payment in accordance with the Terms and Conditions may be affected.

#### 1.1.11 Unsecured obligations of the Issuer

The obligations of the Issuer under the Terms and Conditions will be unsecured and unsubordinated obligations, and will at all times rank *pari passu* with all its other unsecured and unsubordinated obligations to the extent permitted by applicable laws relating to creditors' rights in the event of insolvency.

### 1.1.12 Final repayment

The Issuer shall, during the six months preceding the Final Repayment Date, dispose of all investments in the Portfolio in a commercially sound manner, settle all its external debts and liabilities and place the remaining funds received on short term bank deposits. However, there is a risk that this will not be possible to achieve and the Debentureholders may, instead, on the Final Repayment Date receive remaining investments as distributions in kind.

### 1.1.13 The Issuer's insolvency or liquidation

The payments to be made by the Issuer under the Terms and Conditions may be impaired by the occurrence of insolvency or (voluntary or judicial) liquidation proceedings that affect the Issuer.

### 1.1.14 Legislative changes

The Terms and Conditions are based on Swedish legislation in effect on the date of the Prospectus. Future legislative changes, altered interpretations of current legislation by authorities or changes in administrative practice may have an impact on the Issuer's business and/or the Terms and Conditions. Such legislative changes or altered interpretations can include changes that facilitates potential loaners' access to senior loans (thus removing the need for mezzanine loans), and regulatory burdens caused by financial authorities' regulation of the financing sector.

### 1.1.15 Dependency on Strukturinvest

The Issuer has few employees and is dependent upon Strukturinvest to conduct its business and manage its loans and lending process. If the Issuer would cease to be assisted by Strukturinvest, the Issuer's operations and results could be adversely impacted.

## **1.2 Risks relating to the Debentures**

### 1.2.1 No active trading market

An investment in the Debentures should primarily be regarded as an investment for the full term of the Debenture. There are no provisions of the Terms and Conditions which inhibit or limit the free transferability of the Debentures, and an application will be made to list the Debentures on a Regulated Market, preferably the regulated market of NGM.

There is a risk that that an active trading market for the Debentures will not develop, and the absence of such market may adversely affect the trading price and liquidity of the Debentures. Although application will be made for the Debentures to be admitted to listing on the regulated market of NGM, there is a risk that the applications to list the Debentures will not be accepted. Accordingly, there is a risk that there will not be a developed trading market for the Debentures. It may also be the case that the Debentures are admitted to trading on a different market than NGM.



Strukturinvest will provide a trade market which may, under normal market conditions, provide a platform to trade the Debentures. Neither the Issuer nor Strukturinvest can offer any warranties as to the market price (at any point in time) for the Debentures on this trade market. The trading price will depend on supply and demand of the Debentures, and be based on renowned valuation models. The trading price may be higher as well as lower than the initial offering price and will be affected by factors such as the remaining term of the Debenture, interest rates and credit risk in the underlying real estate credit. Transferring the Debenture on the secondary market will incur a commission, payable to Strukturinvest, of *3 per cent* of the nominal price of the Debenture during the first year of the term of the Debenture, *2 per cent* during the second year and *1 per cent* during the remaining term. The smallest post to trade on the secondary market is one (1) Debenture.

#### 1.2.2 Restrictions on the transferability of the Debentures

The Debentures 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 Debentures may not offer or sell the Debentures in the United States. The Issuer has not undertaken to register the Debentures under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Debentures in the future. Furthermore, the Issuer has not registered and will not register the Debentures under any other country's securities laws (other than Sweden). It is the obligation of each Debentureholder to ensure that offers and sales of Debentures comply with all applicable securities laws.

#### 1.2.3 Credit risk

A potential investor should assess the credit risks associated with the Debentures. As there is a credit risk associated with the Issuer, events that reduce the creditworthiness of the Issuer should be considered. If the Issuer's financial position should decline, there is a risk that the Issuer will not be able to fulfil its obligations under the Debentures. A decrease in the Issuer's creditworthiness could also lead to a decrease in the market value of the Debentures.

#### 1.2.4 Interest rate risk

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

#### 1.2.5 Clearing and settlement

The Debentures are affiliated to Euroclear Sweden's account-based system. Clearing and settlement as well as payment of Interest and the repayment of principal are carried out within this system. The Issuer will discharge its payment obligations under the Debentures by making payments to Euroclear Sweden for distribution to the applicable account holders. Investors are therefore dependent on the functionality of Euroclear Sweden's system in order to receive payments under the Debentures.

### 1.2.6 Majority decisions by the Debentureholders

According to the Terms and Conditions, certain majorities of the Debentureholders have the right to make decisions and take measures that bind all Debentureholders.

Consequently, the actions of a majority of the Debentureholders could impact the Debentureholders' rights in accordance with the Terms and Conditions in a manner that is undesirable for some of the Debentureholders.

## RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Board of Directors of the Issuer is, to the extent provided by law, responsible for the information given in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

Stockholm, Sweden, 3 June 2015  
the Board of Directors  
Apikal Fastighetspartner AB (publ)

## 2. THE ISSUER

### 2.1 History and corporate information

#### 2.1.1 Establishment, duration and domicile

The Issuer was incorporated on 26 November 2012 as a public limited liability company under the laws of Sweden, the incorporation was registered on 27 November 2012. On 18 June 2013 the Issuer's name was changed from Goldcup 8263 AB to its current name, Apikal Fastighetspartner AB (publ).

The corporate registration number of the Issuer is 556921-1708 and the seat of the Board of Directors is Stockholm, Sweden. The registered address of the Issuer is Apikal Fastighetspartner AB (publ), c/o Strukturinvest Fondkommission, Grev Turegatan 14, 4 tr, SE-114 46 Stockholm, Sweden. The telephone number of the Issuer is +46 8 121 32 917.

The articles of association of the Issuer, as adopted by the extraordinary shareholders' meeting on 4 June 2013, as well as a registration certificate are incorporated herein for reference.

#### 2.1.2 Share capital

The share capital of the Issuer amounts to SEK 500,000 and is divided into 500,000 shares. The share capital is fully paid up. Each share entitles its holder to one vote at shareholders' meetings.

#### 2.1.3 Operations of the Issuer

The Issuer does not and shall not conduct any other business than as contemplated and/or permitted by the Terms and Conditions of each PLI Series.

#### 2.1.4 Ownership – group

As at the date of adoption of the Terms and Conditions, Strukturinvest Fondkommission (FK) AB (“**Strukturinvest**”) held 65.0 *per cent*, Martin Fredriksson held 30.0 *per cent*, and Thomas Olsson 5.0 *per cent* of the share capital and votes in the Issuer (Strukturinvest, Martin Fredriksson and Thomas Olsson jointly the “**Original Shareholders**”). Between the date of the Terms and Conditions and the date of this Prospectus, Strukturinvest has transferred shares in the Issuer to certain individuals to the effect that the ownership of the Issuer as at the date of this Prospectus is as follows: Strukturinvest holds 51.0 *per cent*, Martin Fredriksson holds 30.0 *per cent*, Thomas Olsson holds 5.0 *per cent*, Olof Gustafsson holds 4.5 *per cent*, Fredrik Langley holds 4.5 *per cent*, Peter Jönsson holds 2.0 *per cent*, Klas Hellman holds 1.0 *per cent*, Andreas Jansson holds 1.0 *per cent* and Michael Rosengren holds 1.0 *per cent* respectively, of the shares and votes in the Issuer (the persons to which Strukturinvest has transferred shares in the Issuer together with the Original Shareholders are therefore, as at the date of this Prospectus, the “**Shareholders**”). The three largest individual Shareholders have entered into a shareholders' agreement in

order to govern how they exercise their control over the Issuer. In addition, the Shareholders exercise their control over the Issuer in accordance with applicable laws and regulations as well as the Issuer's articles of association. Furthermore, the Shareholders have undertaken to act in accordance with the Terms and Conditions (to the extent they refer to and are relevant to the Shareholders). Although this will limit the risk of any abuse by the Shareholders of their control over the Issuer, such risks are not completely eliminated.

<b>Owner</b>	<b>Ownership (percentage of votes and capital)</b>
Strukturinvest	51.0
Martin Fredriksson	30.0
Thomas Olsson	5.0
Olof Gustafsson	4.5
Fredrik Langley	4.5
Peter Jönsson	2.0
Klas Hellman	1.0
Andreas Jansson	1.0
Michael Rosengren	1.0
<b>Total:</b>	<b>100</b>

*Current ownership of Apikal Fastighetspartner AB (publ) by the Shareholders*

Strukturinvest is an independent specialist firm within the field of structuring and implementation of financial investment solutions, under supervision of the Swedish Financial Supervisory Authority. As of 1 April 2015 Strukturinvest had 28 employees based at three offices in Sweden, and, more specifically, Stockholm, Gothenburg and Jönköping.

Strukturinvest is a privately held company founded in 2009. Strukturinvest's shareholders' equity amounts to SEK 6,500,000.

All other Shareholders than Strukturinvest hold their shares in the Issuer privately. The Issuer is not aware of any present or future arrangement for direct or indirect control over the Issuer other than the control by the Shareholders and their mutual agreement in the shareholders' agreement entered into by them.

The Issuer does not have any subsidiaries.

### 2.1.5 Financial year

The financial year of the Issuer is the calendar year.

### 2.1.6 Independent auditors

The independent auditor of the Issuer is Mårten Asplund, c/o KPMG, Box 16106, SE-103 23, Stockholm, Sweden. The telephone number of the independent auditor is +46 8 723 91 00. Mårten Asplund is authorized by, and is member of, FAR SRS<sup>1</sup> and was appointed auditor by the extraordinary shareholders' meeting held on 4 June 2013.

The auditor has not made an independent review of this Prospectus.

## 2.2 **Objective**

The principal objective of the Issuer is to provide real estate loans with a target net annual return to investors amounting to between 6 and 8 per cent.

## 2.3 **Focus**

Loans within the Issuer's investment focus are generally secured bilateral loans to holders of real estate assets where there is a need for purchase financing, refinancing or to fund enhancement, renovation, expansion or other works. Typically, such loans are subordinated to other loans, generally from banks, and they are always prioritized vis-à-vis the equity capital in the financing structure of the property. The Issuer will have a flexible approach to loan structures, but the loans will typically have terms of two to five years with amortization and/or bullet repayment and a current coupon. The size of a loan will be at least SEK 10,000,000. The loans shall originate from properties in the Approved Jurisdictions, being Sweden, Denmark, Norway, Finland and Iceland.

The Issuer shall only provide loans to Borrowers who directly or indirectly own real property which has a building or buildings sitting on it used as offices, for sales, for storage, for logistics, as residences or for "mixed use" and which has an estimated market value of between SEK 50,000,000 to SEK 2,000,000,000.

Any unutilized part of the total participation shall be invested in SEK denominated governmental loans with a maximum of three months remaining to maturity or be placed on short term bank deposits.

The Issuer shall only provide loans to Borrowers materially in accordance with the Loan Details which have been fairly presented to, or otherwise agreed by, the Debentureholders. In practice, between each Subscription Date and the First Issue Date (in relation to the Initial Debentures) and each Subsequent Issue Date (in relation to any Subsequent Debentures), the Issuer shall fairly present (in writing) to the persons or entities which have subscribed for, but to whom Debentures have not yet been issued, the Loan Details for the Loans to be provided by the Issuer or existing Loans for which

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<sup>1</sup> The Institute for the accountancy profession in Sweden and the Swedish association of auditors.

the terms are to be altered. Any such person or entity may between each Subscription Date and the First Issue Date or Subsequent Issue Date, as the case may be, elect to revoke its commitment to subscribe for one or several Debentures without cause.

The Issuer may always agree to immaterial changes to the terms of existing Loans without the consent of the Debentureholders or without having fairly presented such changes to the Debentureholders. “Immaterial changes” shall include, without limitation changes to (i) Security afforded to the Issuer by a Borrower, if such alteration does not, at the time of such change, detrimentally affect the Issuer’s Security for a Loan (taken as a whole) and (ii) interest rate and charges under a Loan if the total amounts payable to the Issuer during the full term of such Loan remain substantially the same. Changes to the term or loan amount of a Loan shall never be considered “immaterial changes”.

## **2.4 Investment strategy**

The general investment strategy of the Issuer is to provide loans to real property owners. Such loans may constitute mezzanine loans but the Issuer may also provide other types of loans, such as senior loans and bridge loans. The Issuer will have an active approach, manifesting itself by continuous dialog with the borrowers, the management and other stakeholders in the properties loaned against, and working actively to protect the Issuer’s interest in potential default situations. The Issuer will focus on the borrower’s potential to generate profits in the longer run (two to five years or beyond), supporting the business of each Borrower regarding tactical as well as strategic decisions. By encouraging the Borrowers to also consider long-term profit maximization rather than only short-term savings, it is anticipated that the potential to repay the full amount of the Loan provided by the Issuer and all other debts owed by the Borrowers to the Issuer is increased. In general, the loans will be held until maturity and the Issuer shall procure that the maturity date of each Loan occurs prior to the Final Repayment Date. Moreover, the Issuer shall procure that no loan amount exceeds 85 per cent of the market value of the underlying real property.

Loans provided by the Issuer will generally be secured with adequate security and may typically entail a first ranking or subordinated mortgage over the real property financed by the Loan and a pledge over the shares in the Borrower and/or the company owning the real property (if these are different companies) and, when considered necessary, a guarantee from the Borrower’s parent or owners. Moreover, the Issuer shall ensure that, in terms of law on preferential rights, the Loans are at least equated with each Borrower’s other unsecured and unsubordinated payment obligations, except where such obligations have more preferential rights under current law.

## **2.5 Lending process**

- (a) *Loans*: The investment process will include deal sourcing, management meetings, industry analysis, financial modeling, legal and financial due diligence followed by a recommendation by the Issuer’s credit committee and subsequent board decision. Following an issued loan, the Issuer will have an active and hands-on approach to monitoring the performance of the Borrower. A key part of the lending process is to evaluate the Borrower’s risk

to default in the context of the anticipated loss at default. It is simultaneously noted that the Issuer cannot make independent investment decisions, and can only provide Loans that conform with the Loan Details which have been fairly presented to or consented to by the Debentureholders.

- (b) *Currencies and hedging*: The accounting currency of the Issuer is SEK, as well as the denomination of the Debentures. Moreover, most Loans are expected to be granted and repaid in SEK. Even so, the Issuer may, whenever deemed necessary by the Issuer, enter into hedging arrangements for the purpose of currency protection of SEK against the currency in which a loan is denominated, and further for interest rate protection.
- (c) *Leverage*: The Issuer may, at its own discretion, incur financial indebtedness during the whole term of a subscription undertaking only if the aggregate outstanding amount of all financial indebtedness of the Issuer does not exceed SEK 5,000,000.
- (d) *Duration*: The Final Repayment Date is 29 December 2019.

## **2.6 Projected returns**

The Issuer's target net annual return on the total participation amount is between 6 and 8 per cent. The net returns are to be distributed quarterly in accordance with the Terms and Conditions.

## **2.7 Legal and arbitration proceedings**

The Issuer is not, nor has it been involved since the date of its incorporation, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

## **2.8 Changes to financial/trading position**

The Issuer has, since the date of its latest audited financial accounts, issued additional PLI Series and issued loans whereby it provides mezzanine loans in accordance with the focus, objective and investment strategy as stated above. Other than this, there has been no significant change to the Issuer's financial position or any new trading positions as of the date of the latest audited financial accounts, which are incorporated herein by reference.

## **2.9 Issuer's solvency**

No recent events have occurred which are particular to the Issuer and to a material extent relevant to the evaluation of the Issuer's solvency.



## **2.10 Trend information**

There has been no material adverse change in the prospects of the Issuer since the date of its establishment. The debt crisis in Europe and elsewhere has not affected such prospects, and it is expected that the effect for the Issuer, if any, will be further investment opportunities.

## **2.11 Material contracts**

There are no material contracts for the purpose of this Prospectus. The management services necessary for the Issuer's operations are carried out by employees of the Issuer and the Current Shareholders, and the back office services are performed by Strukturinvest under the Terms and Conditions of the Issuer.

## **2.12 Information from experts**

No information from experts has been included in this Prospectus.

## **2.13 Third party information**

No third party information has been included in this Prospectus.

## **2.14 Board of Directors and management**

### **2.14.1 Board of Directors**

**Thomas Olsson**, *chairman*

c/o Strukturinvest Fondkommission (FK) AB  
Stora Badhusgatan 18-20  
SE-411 21 Gothenburg, Sweden  
Phone no: +46 31 68 63 37  
Switchboard: +46 31 68 82 90  
Email: thomas.olsson@strukturinvest.se

Other principal activities performed by Thomas Olsson:

- Member of the board and co-managing director of Strukturinvest Fondkommission (FK) AB
- Chairman of the board of directors of Svensk Pensionsförvaltning AB

**Jonas Wetterfors**, *member of the board*

c/o Hellström Advokatbyrå KB  
Kungsgatan 33  
SE-103 90 Stockholm, Sweden  
Phone no: +46 8 22 09 00  
Email: jonas.wetterfors@hellstromlaw.com

Other principal activities performed by Jonas Wetterfors:

- Partner at Hellström Advokatbyrå KB
- Member of the board of Strukturinvest Fondkommission (FK) AB

**Fredrik Langley**, *member of the board*

c/o Strukturinvest Fondkommission (FK) AB  
Stora Badhusgatan 18-20  
SE-411 21 Gothenburg, Sweden  
Phone no: +46 31 68 82 91  
Switchboard: +46 31 68 82 90  
Email: fredrik.langley@strukturinvest.se

Other principal activities performed by Fredrik Langley:

- Member of the board and managing director of Strukturinvest Fondkommission (FK) AB
- Chairman of the board of directors of Granit Fonder AB

**Olof Gustafsson**, *member of the board*

Grev Turegatan 14, 4th floor  
SE-114 46 Stockholm  
Phone no: +46 8 458 22 31  
Switchboard: +46 8 458 22 30  
Email: olof.gustafsson@strukturinvest.se

Other principal activities performed by Olof Gustafsson:

- Member of the board and co-managing director of Strukturinvest Fondkommission (FK) AB
- Member of the board of directors of Granit Fonder AB

#### 2.14.2 Management

**Martin Fredriksson**, *chief executive officer*

Apikal Fastighetspartner AB (publ)  
Grev Turegatan 14, 4th floor  
SE-114 46 Stockholm, Sweden  
Phone no: +46 8 121 329 17  
Email: martin.fredriksson@apikalfastighetspartner.se

Other principal activities performed by Martin Fredriksson:

- Deputy member of the board and managing director of AAS Technologies AB
- Deputy member of the board and managing director of Resöhus AB

Thomas Olsson, *i.e.* the chairman of the Board of Directors, also partakes in the management of the Issuer.

The Issuer may only provide Loans in accordance with decisions by a credit committee appointed by the Board of Directors.

## **2.15 Conflicts of interest**

The above persons in the Board of Directors and the chief executive officer of the Issuer may potentially make investments that could compete with the investments made by the Issuer or be acting in companies that make such investments. However, there are no such conflicts of interest as of the date of this Prospectus.

## **2.16 The Issuer's undertakings**

The Issuer has issued several loans in accordance with the terms and conditions of each relevant PLI Series since the date of its establishment. The Issuer is of the opinion that the loans are entered into on terms and conditions and with underlying properties and securities that ensure a suitable risk profile in relation to expected returns. The properties which are financed by the loans are primarily used for residential purposes, educational purposes, offices and research and development, health services and gyms and other similar purposes. The services provided by the properties' tenants are generally in stable demand and often wholly or partly funded by governmental funds. The mortgaged properties generate stable revenue streams with relatively high net operating income, lending protection should some of the income generated by each property decrease. Moreover, the properties are generally in good condition and no major renovations or refurbishments are expected in the near future. The Issuer deems that it has reasonable security for the loans provided by it, in many cases in the form of real property pledges, but also share pledges and/or parent company guarantees have been afforded as security.

# **3. OVERVIEW OF THE DEBENTURES**

*This section contains a brief summary of the Terms and Conditions and is not a complete description of the Debentures. A decision to invest in the Debentures must be based on the investors' assessment of the Prospectus as a whole, including the Terms and Conditions and documents incorporated herein through reference. The complete Terms and Conditions are attached hereto.*

## **3.1 Key Executives**

The Key Executives of the Issuer are Martin Fredriksson and Thomas Olsson. They are responsible for managing the portfolio in accordance with the Terms and Conditions. Even though as of the time of this Prospectus the Total Participation has been loaned out, the ongoing success of the Issuer in delivering in accordance with its projected business goals will be highly dependent on the efforts of the Key Executives.

### **3.2 Total participation**

The total participation, comprised of the participation of the Debentureholders and the Shareholders together, shall not at any time exceed SEK 400,000,000.

### **3.3 Type of debentures**

The Debentures are participating debentures issued by the Issuer as defined in Chapter 11, section 11 of the Swedish Companies Act. The Debentures have been issued in accordance with and are governed by Swedish law.

### **3.4 Nominal amount**

The nominal amount of each Debenture is SEK 1,000,000.

### **3.5 Issue dates**

The First Issue Date, meaning the date on which the Initial Debentures were issued by the Issuer pursuant to the Terms and Conditions, was 29 December 2014.

39 additional Debentures (*i.e.* Subsequent Debentures) were issued by the Issuer pursuant to the Terms and Conditions on 27 March 2015.

### **3.6 Final repayment date**

The final repayment date is the fifth anniversary of the First Issue Date (*i.e.* 29 December 2019).

### **3.7 Issue of Subsequent Debentures**

Out of the Debentures, 74 are comprised of Initial Debentures which were issued on 7 January 2014. On 27 March 2015, 39 additional Debentures (Subsequent Debentures) were issued in accordance with the Terms and Conditions.

### **3.8 Transferability**

There are no provisions of the Terms and Conditions which in any way restricts the free transferability of the Debentures.

### **3.9 Calculation of Interest**

Subject to reduction for Shortfall Compensation, the Issuer shall apply any Ordinary Income received during an Interest Period, less any Carried Interest in respect of such Interest Period, as Interest. Each Debentureholder and Original Shareholder is entitled to its Quota Share of any Interest. All calculations of Interest shall be made without taking into account any tax payable by the Issuer (other than if a Permitted Cost).

Interest to Debentureholders is payable ten Business Days after the last day of each Interest Period other than in relation to the Interest Period ending on the Final Repayment Date, in which case Interest to Debentureholders is payable twenty five Business Days after the last day of such Interest Period. Interest on the Shareholders Participation shall be for the account of the Original Shareholders and shall after the last day of the relevant Interest Period not form part of the Portfolio and shall accrue and be paid from and including the Issue Date up to the Final Repayment Date. Interest on the Shareholders Participation shall be for the account of the Original Shareholders and shall after the last day of the relevant Interest Period not form part of the Portfolio.

20 per cent of the aggregate Ordinary Income (after the Shortfall Compensation has been made) for an Interest period that exceeds the equivalent of the Hurdle Rate calculated on the Total Participation during such Interest Period is Carried Interest and shall be for the account of the Shareholders (in addition to any Interest). The Hurdle Rate shall be 3-month STIBOR, as determined on the second business day prior to each relevant calculation date on the appropriate page or screen as of 11.00 a.m. for the offering of deposits in SEK, plus 4 per cent per annum (in each case calculated on the actual number of days elapsed on a 360 day/year basis).

As a result of the payment of the Up-front Fees, the value of the Portfolio will decrease as portion of the Total Participation and should any Ordinary Income Shortfall occur, the value of the Portfolio will be reduced by such amount. In order to compensate for these reductions of the value of the Portfolio, the Issuer shall, when calculating the Interest each financial quarter, deem an amount of the received Ordinary Income equal to 5 per cent of the Up-front Fees plus any amount previously paid by the Issuer to cover Ordinary Income Shortfalls as Principal Proceeds (known as the Shortfall Compensation).

If the Ordinary Income received during a financial quarter does not cover the payment of Shortfall Compensation, such shortfall shall, to the extent possible, be compensated when calculating the Interest during the following financial quarter or, if applicable, when there is sufficient Ordinary Income to cover such shortfall.

The Issuer will make all calculations of Interest.

### **3.10 Payment of interest**

The Initial Debentures issued will earn interest from the Issue Date. The Subsequent Debentures will earn interest from the end of the previous Interest Period for which interest has been paid.

The first Interest Period is from the Issue Date until 31 March 2015. Thereafter, each Interest Period shall be three (3) months and end on 31 March, 30 June, 30 September and 31 December in each year. The last Interest Period shall end on the Final Repayment Date. If an Interest Period would otherwise end on a day that is not a business day, that Interest Period will instead end on the next business day in the same calendar month (if there is one) or the preceding business day (if there is not).

Interest is payable ten (10) business days after the last day of each Interest Period and shall accrue and be paid from and including the Issue Date up to the Final Repayment Date. Notwithstanding the foregoing, Interest to Debentureholders is payable twenty five (25) Business Days after the Interest Period ending on the Final Repayment Date. Interest on the Shareholders Participation shall be for the account of the Original Shareholders and shall after the last day of the relevant Interest Period not form part of the Portfolio.

### **3.11 Repayment of Loans/amortizations prior to the Final Repayment Date**

If the unutilized funds held by the Issuer up until eighteen (18) months prior to the Final Repayment Date exceed 10 per cent of the Total Participation, such excess amount shall be used to repay *pro rata* the Debentures and the participation from the Original Shareholders, such repayment to take place ten (10) business days after the last day of the Interest Period ending directly after the occurrence of the date falling eighteen (18) months prior to the Final Repayment Date. The nominal amount of each Debenture will be reduced as a result of such repayment.

Any Principal Proceeds received by the Issuer up until eighteen (18) months prior to the Final Repayment Date shall be retained by the Issuer and shall be applied towards, with the prior consent of the Debentureholders as described in Clause 2.3, providing new Loans, provided, however, that such Principal Proceeds may:

- (a) first, up until eighteen (18) months prior to the Final Repayment Date, at the Issuer's discretion, be retained by the Issuer and applied towards the payment of costs relating to the Portfolio;
- (b) second, if applicable, be applied towards repayment, ten (10) Business Days after the last day of the relevant Interest Period (except for the Interest Period ending on the Final Repayment Date, for which payment shall be made within twenty five (25) Business Days), *pro rata* of the Debentureholder Participation and the Shareholder Participation up to an amount which together with any amount retained pursuant to paragraph (a) is equivalent to the original Loan amount, (determined in accordance with GAAP); and
- (c) third, if applicable, be applied as Ordinary Income.

### **3.12 Repayment on the Final Repayment Date**

The Issuer shall, during the six months preceding the Final Repayment Date, dispose of all Loans given by the Issuer, which cannot be expected to be repaid on maturity, in a commercially sound manner, settle all its external debts and liabilities and place the remaining funds received on short term bank deposits. On the Final Repayment Date such funds shall be used towards repayment *pro rata* of the Debentures and the participation from the Original Shareholders, up to an amount which together with any repayment of financial indebtedness is equivalent to the amount of the loan.

In the event that there are Loans remaining on the date falling one (1) month prior to the Final Repayment Date and any such Loans cannot be expected to be repaid on maturity or be disposed of in a commercially sound manner, the Issuer shall arrange a Debentureholders Meeting on which the Debentureholders shall decide if the Issuer shall provide an arrangement whereby the outstanding Loans continue to be held by the Issuer, or if the Loan should be distributed *pro rata* of the Debentures and the participation from the Shareholders, up to an amount which together with any repayment of financial indebtedness is equivalent to the amount of the Loan.

### **3.13 Acceleration**

Any Debentureholder is entitled to declare all of its Debentures immediately due and payable, (i) in case of the Issuer's insolvency or (ii) if the Original Shareholders cease to hold more than 50 per cent of all votes and outstanding shares of the Issuer.

If the Issuer or (where applicable) the Original Shareholders fail to comply with, or in any way acts in violation of, a material obligation under the Terms and Conditions, Debentureholders representing more than 50 per cent of the total outstanding Debentures may notify the Issuer in reasonable detail of the relevant failure and/or violation. If the Issuer or the Original Shareholders (as applicable) do not remedy such failure or violation within twenty Business Days from the receipt of such notification, or if the failure or violation or cannot be remedied, each Debentureholder may declare its Debentures due and payable.

Any Instrumentholder holding instruments issued under an Additional PLI Series becomes entitled to declare all of its Participation Loan Instruments immediately due and payable prior to its specified maturity as a result of an event of default.

### **3.14 Additional participating loan interest series**

The Issuer reserves the right to issue Additional PLI Series, in which additional Participating Loan Instruments will be issued. Additional offerings will substantially follow the Terms and Conditions pertaining to the Debentures.

### **3.15 Management of Portfolio**

The Original Shareholders shall manage the Portfolio on behalf of the Issuer in exchange for the management fee, which shall be calculated quarterly and distributed among the Original Shareholders as agreed among them and the Issuer and shall be paid in advance to the Original Shareholders on the first day of each Interest Period.

All loans shall be decided upon by the Board of Directors of the Issuer. Unless agreed otherwise by the Debentureholders, the Key Executives shall be responsible for the management of the Portfolio.

The Board of Directors of the Issuer shall consist of between three (3) and six (6) members, appointed by the Shareholders, among which at least one shall be

independent and possess auditing and/or accounting expertise as required by the Swedish Companies Act.

### **3.16 Brokerage fees**

In addition to the Debentures being issued on a fully paid basis at an issue price corresponding to the Nominal Amount, a premium in an amount agreed by the Issuer and each Debentureholder is to be paid as a brokerage fee by the Issuer to the relevant broker or Original Shareholder.

During the first Interest Period, an amount equal to 2 per cent of the Nominal Value of the Initial Debentures will be payable by the Issuer to Strukturinvest as an arrangement fee and an amount equal to 2.5 per cent of the Nominal Value of all Debentures will be payable by the Issuer to certain brokers as a brokerage fee. The Issuer may use part of the Total Participation to pay such up-front remuneration.

In relation to any Subsequent Debentures, a brokerage fee of 2.5 per cent of the Nominal Value of the Subsequent Debentures will be payable by the Issuer to certain brokers as a brokerage fee. The Issuer may use part of the Total Participation to pay such up-front remuneration.

### **3.17 Period of limitation**

The right to receive repayment of the Participation Loan Amount shall be time barred and become void ten years from the Final Repayment Date. The right to receive payment of Interest shall be time barred and become void three years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Debentureholders right to receive payment has been time barred and become void.

If such term of limitation periods are duly interrupted, in accordance with the Swedish Act on Limitations (*Preskriptionslag 1981:130*), a new limitation period of ten years with respect to the participation loan, and of three years with respect to Interest payments will commence, in both cases calculated from the date of interruption of the limitation period as such date is determined pursuant with the provisions of the Swedish Act on Limitations.

### **3.18 Limitation of claims**

The Shareholders shall not have any liability to the Debentureholders for any loss suffered by the Debentureholders, which arises out of any action or inaction of the Shareholders or the Board of Directors of the Issuer, unless such course of conduct constituted fraud, wilful misconduct or negligence on the part of the Shareholders in relation to the Debentureholders, or a breach of the Terms and Conditions.

Neither the Issuer nor any member of its Board of Directors shall be liable for any loss suffered by the Debentureholders, which arises out of their respective managerial and/or commercial decisions, actions or inactions under, or in connection with, the Terms and



Conditions, unless such decisions, actions or inactions constituted fraud, wilful misconduct or negligence, or a breach of the Terms and Conditions.

Neither the Issuer, any member of the Board of Directors nor any Shareholder shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance.

### **3.19 Indication of yield**

The target for the Issuer is to achieve a net annual return on the total Participation of between 6 and 8 per cent, such net returns to be distributed quarterly in accordance with the Terms and Conditions.

### **3.20 Number of Debentures**

The number of Debentures is 113, of which 74 are the Initial Debentures and 39 Subsequent Debentures.

### **3.21 Registered form**

The Debentures are in registered form.

### **3.22 Currency of the Debentures**

The currency of the Debentures is SEK.

### **3.23 Ranking/subordination and security holders**

The obligations of the Issuer under the Terms and Conditions constitute direct and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them, with all its other present and future, unsecured and unsubordinated obligations. The payment obligations of the Issuer and the Debentures shall, subject to the provisions of applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

### **3.24 Rights attached to the Debentures**

The rights attached to the Debentures include repayment of the Participation Loan Amount and Interest, as well as additional rights, as set out in the Terms and Conditions. The Issuer's obligation to repay the participation loan is dependent on the value of the Portfolio from time to time. A Debentureholder is not guaranteed to receive repayment of the Nominal Amount of its Debentures.

The Debentureholders' right to repayment of the relevant Participation Loan Amount and Interest thereon is limited to the assets in the Portfolio and any amounts received by

the Issuer in relation to the Portfolio and the Debentureholders shall not be entitled to any other assets held by the Issuer or any amounts received by the Issuer in relation to such assets.

### **3.25 Security holders**

The obligations of the Issuer under the Terms and Conditions will be unsecured and unsubordinated obligations, and rank and will at all times rank *pari passu* with all its other unsecured and unsubordinated obligations should the Issuer go bankrupt or become insolvent.

### **3.26 Listing of the Debentures**

The Issuer will apply for the Debentures to be admitted to listing on the Regulated Market of NGM. Trading in the Debentures is expected to start no later than 1 June 2015, provided that the application is approved by NGM.

### **3.27 Meetings of the Debentureholders**

A Debentureholders Meeting or Written Procedure may at any time be requested (in writing) by each of the Issuer, a Shareholder (or Shareholders) and (a) Debentureholder(s), if at least 10 per cent of the Debentureholder Participation is represented. A Debentureholders' Meeting shall be convened by the Issuer by sending each Debentureholder a notice (which meets the requirements as set out in the Terms and Conditions). The Debentureholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the Issuer's notice. A Written Procedure shall be instigated by the Issuer sending each Debentureholder a communication no later than five Business Days after receipt of request from the Debentureholders. The time period within which the Debentureholder may reply to the communication must be at least fifteen Business Days.

The Debentureholders' Meeting and Written Procedure may, subject to certain consent requirements as set out in the Terms and Conditions, decide upon any issue or matter in relation to these Terms and Conditions.

Quorum at a Debentureholders' meeting or in respect of a Written Procedure only exists if Debentureholders representing at least fifty (50) per cent of the Debentureholder Participation in relation to certain matters and otherwise twenty (20) per cent of the Debentureholder Participation:

- (i) if at a Debentureholders' 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.

### **3.28 Information to the Debentureholders**

The Issuer undertakes to inform the Debentureholders' of any events or occurrences as set out in the Terms and Conditions. The Issuer shall, promptly upon becoming aware of the same, notify the Debentureholders if any holder of any instrument issued under an Additional Debenture Series declares all such instruments due and payable prior to its specified maturity as a result of an event of default.

Moreover, the Issuer shall keep the Debentureholders fully informed in writing of all relevant details relating to any issue of Additional Debenture Series.

### **3.29 Requests for consent by the Debentureholders**

A request by the Issuer for consent, approval or agreement by the Debentureholders shall be decided upon at a Debentureholders' Meeting or by way of Written Procedure.

### **3.30 Applicable law and settlement of disputes**

The Terms and Conditions shall be governed by and construed in accordance with the laws of Sweden.

Any dispute, controversy or claim arising out of or in connection with the Terms and Conditions, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitrations Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three (3) arbitrators. The place of arbitration shall be Stockholm and the language to be used in the arbitral proceedings shall be English unless the arbitral tribunal decides otherwise.

### **3.31 Account keeping institution**

Strukturinvest Fondkommission (FK) AB, with corporate registration number 556759-1721, and registered address at Stora Badhusgatan 18-20, SE-411 21 Gothenburg, Sweden.

### **3.32 International Securities Identification Number (ISIN)**

The Debentures have been registered with Euroclear Sweden AB, Box 191 SE-101 23 Stockholm. The International Securities Identification Number (ISIN) for the Debentures is SE0006510111.

### **3.33 Listing expenses**

The cost for arranging for the Debentures to be admitted to trading on the regulated market of NGM will be borne by the Issuer.

**3.34 Rating**

The Debentures have not been assigned an official credit rating by any credit rating agency.

#### **4. HISTORICAL FINANCIAL INFORMATION**

Audited annual reports for the Issuer have been produced, covering in total the period from its incorporation until 31 December 2014, and is available on [www.apikalfastighetspartner.se](http://www.apikalfastighetspartner.se) and in the Issuer's offices. The Issuer's historical financial information has been, with the exceptions expressly allowed by the guidelines from the Swedish Financial Reporting Board (Sw. *Rådet för finansiell rapportering*) RFR2, prepared in accordance with IFRS issued by the IASB.

#### **5. GENERAL INFORMATION**

The Debentures have been accepted for clearing through Euroclear Sweden AB. The International Securities Identification Number (ISIN) for the Debentures is SE0006510111.

This Prospectus has been approved by Finansinspektionen and application has been made for the Debentures to be admitted to trading on the regulated market of NGM.

So long as any of the Debentures are outstanding, copies (and English translations where the documents in question are not in English) of the following documents will, when published, be available at the specified office of the Issuer during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- (a) the registration certificate and articles of association of the Issuer;
- (b) copies of the authorisations listed below;
- (c) a copy of this Prospectus, together with any supplement to this Prospectus; and
- (d) audited financial statement of the Issuer from the date of its incorporation until 31 December 2013, and 1 January 2014 up until 31 December 2014.

The Issuer has obtained all necessary resolutions, authorisations and approvals required in connection with the Debentures and the performance of its obligations in relation thereto. The issue of the Debentures was authorised by resolutions of the Issuer on 29 December 2014 and 27 March 2015.

This Prospectus does not refer to any expert opinions.

This Prospectus shall be published on the Finansinspektionen's website at <http://www.fi.se>.

The costs in connection with the admission to trading of the participation loan debentures and in connection with the filing of this Prospectus amount to in total approximately SEK 200,000. As at the date of this Prospectus, the cost for having the debentures admitted to trading amounts to SEK 7,000 per year, as long as the nominal amount of the participation loan debentures exceed SEK 1,000,000.

## **6. DOCUMENTS INCORPORATED BY REFERENCE**

Each document incorporated herein by reference is current only as at the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in the affairs of the Issuer, as the case may be, since the date thereof or that the information contained therein is current as at any time subsequent to its date. Any statement contained therein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a subsequent statement contained herein modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Issuer's registration certificate is incorporated herein by reference.

Audited financial statements of the Issuer from its incorporation until 31 December 2013 and from 1 January 2014 until 31 December 2014 are incorporated herein by reference.

Documents incorporated by reference into this Prospectus will, for so long as any Debentures are outstanding, be available free of charge at the office of the Issuer, c/o Strukturinvest Fondkommission, Grev Turegatan 14, 4 tr, SE-114 46 Stockholm, Sweden.

Prospective investors are advised to obtain and read the documents incorporated by reference herein before making any investment decision in relation to the Debentures.

**Registered office of the Issuer**

Apikal Fastighetspartner AB (publ)  
c/o Strukturinvest Fondkommission  
Grev Turegatan 14, 4 tr  
SE-114 46 Stockholm  
Sweden

**Advisors of the Issuer**

Mannheimer Swartling Advokatbyrå AB  
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Apikal  
Fastighetspartner

**TERMS AND CONDITIONS FOR  
APIKAL FASTIGHETSPARTNER AB (PUBL)  
UP TO SEK 400,000,000  
PARTICIPATION LOAN, SERIES IV  
ISIN: SE0006510111**

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## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

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

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

“**Additional PLI Series**” means any PLI Series, other than the PLI Series constituted by these Terms and Conditions.

“**Adjusted Nominal Amount**” means the Debentureholder Participation divided by the total number of outstanding Debentures.

“**Affiliate**” means (i) any Swedish or foreign legal entity, which is at any time controlled by one or several Shareholders, directly or indirectly, (ii) the chief executive officer of an entity referred to in item (i) and any investment director, investment manager or investment associate employed from time to time by an entity referred to in item (i) (each a “**Relevant Person**”), and (iii) any Swedish or foreign legal entity, which at any time is controlled, directly or indirectly, by a Relevant Person. For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Approved Jurisdictions**” means Sweden, Denmark, Norway, Finland and Iceland, and any other jurisdiction approved by the Debentureholders.

“**Available Series Participation**” means, in relation to each PLI Series, the Original Series Participation less any amount of the Original Series Participation that has been repaid to the Instrumentholders and Shareholders, as the case may be, as further specified in the terms and conditions for the relevant PLI Series (for sake of clarity, the Available Series Participation under this PLI Series equates the Total Participation).

“**Board of Directors**” means the board of directors of the Issuer, from time to time.

“**Borrower**” means an entity to which the Issuer has provided a Loan pursuant to these Terms and Conditions.

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

“**Carried Interest**” has the meaning set forth in Clause 9.2.

“**Companies Act**” means the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

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

“**Debenture**” means a Participation Loan Instrument which is constituted by these Terms and Conditions, including the Initial Debentures and any Subsequent Debentures.

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

“**Debentureholder Participation**” means the total Nominal Amount of all outstanding Debentures less any amount of the Debentureholder Participation which has been repaid to the Debentureholders pursuant to Clause 10.1(a).

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

“**Derived Assets**” means shares, warrants, and other securities or assets obtained by the Issuer as a consequence of it making or holding a Loan, or in connection with a restructuring or composition in relation to a Loan in which the Issuer participates.

“**Final Repayment Date**” means the fifth (5) anniversary of the First Issue Date (being 29 December 2019).

“**Financial Indebtedness**” means (i) moneys borrowed, (ii) any amount raised pursuant to the issue of any commercial papers, subordinated debentures, bonds, notes or other securities (including debt raised under MTN and other debt issuance programmes) which is or can be admitted for trading on a Swedish or foreign regulated market, (iii) finance or capital leases, (iv) receivables sold or discounted (other than on a non-recourse basis), (v) other transactions, including but not limited to futures, having the commercial effect of a borrowing, (vi) the marked to market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price, (vii) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution, and (viii) liabilities under guarantees or indemnities for any of the obligations referred to in items (i) to (vii) (without double counting). For the avoidance of doubt, “Financial Indebtedness” does not include any Participation Loan Instrument or any financial indebtedness provided as participation to the Issuer by a Shareholder under a PLI Series.

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

“**First Issue Date**” means the date on which the Initial Debentures are issued by the Issuer pursuant to these Terms and Conditions (being 29 December 2014).

“**GAAP**” means the generally accepted local accounting principles, standards and practices in Sweden, including IFRS (to the extent necessary for the purpose of listing the Debentures as set out in Clause 14.9).

“**Hedging Arrangement**” means any hedging arrangement entered into by the Issuer in accordance with Clause 5.4.

“**Hurdle Rate**” means the applicable percentage rate *per annum* displayed on NASDAQ OMX’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the second Business Day prior to last day of each relevant financial quarter for the offering of deposits in Swedish Kronor for a 3-month period, plus four (4) per cent *per annum* (calculated on the actual number of days elapsed on a 360 day/year basis).

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

“**Instrumentholder**” means a person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Participation Loan Instrument issued under any PLI Series.

“**Instrumentholder Participation**” means the total nominal amount of all outstanding Participation Loan Instruments under a PLI Series less any amount which has been repaid to the Instrumentholders pursuant to the terms and conditions of the relevant PLI Series (for sake of clarity, the Instrumentholder Participation under this PLI Series equates the Debentureholder Participation).

“**Interest**” has the meaning set forth in Clause 9.1.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from the First Issue Date to (and including) 31 March 2015, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) 31 March, 30 June, 30 September and 31 December for each year, to (and including) 31 March, 30 June, 30 September and 31 December for each year or the Final Repayment Date, as the case may be, provided that if an Interest Period would otherwise end on a day that is not a Business Day, that Interest Period will instead end on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

“**Issuer**” means Apikal Fastighetspartner AB (publ), Swedish Reg. No. 556921-1708, with registered office at Grev Turegatan 14 4TR, 114 46 Stockholm, fax no. 08 – 121 32 919 and e-mail investors@apikalfastighetspartner.se.

“**Issuing Agent**” means Nordic Fixed Income AB, or any other agent at any time elected by the Issuer, to be its issuing agent in accordance with the governing rules of the CSD “Regelverk för Emittenter och Emissionsinstitut 2013:1”.

“**Key Executive**” means each of Thomas Olsson and Martin Fredriksson.

“**Loan**” means each loan provided by the Issuer in order to fulfil the purpose in Clause 5.1 and which is funded by proceeds received from issuing Debentures and from the Shareholder Participation.

“**Loan Details**” means the specific commercial terms of each Loan and shall *inter alia* include parties, term, net interest rate expected to be charged to the Borrowers, and Security.

“**Management Fee**” means a quarterly fee, payable in advance by the Issuer to the Original Shareholders, calculated as 1.0 per cent *per annum* on the sum of the Total Participation on the last day of the previous Interest Period less an amount equal to any costs covered by paragraph (g) of the definition of Permitted Costs during the same period.

“**Nominal Amount**” has the meaning set forth in Clause 3.1.

“**Ordinary Income**” means the net return on the Portfolio being:

- (a) all cash amounts (other than Principal Proceeds) payable to the Issuer in relation to, and during the term of, a Loan, including *inter alia* interest and commitment fees;

- (b) all cash amounts payable to the Issuer as a result of a sale or other disposal of a Derived Asset;
- (c) all cash interest and other dividends payable to the Issuer in relation to (i) any unutilised part of the Total Participation and (ii) any funds or assets which shall be, but have not yet been, distributed to the Debentureholders and/or the Shareholders pursuant to these Terms and Conditions;
- (d) all amounts payable to the Issuer under Hedging Arrangements that are not received in connection with a repayment or divestment of a Loan; and
- (e) any amount designated as Ordinary Income pursuant to Clause 10.1,

less the Management Fee and Permitted Costs.

“**Ordinary Income Shortfall**” has the meaning set forth in Clause 5.1.6.

“**Original Series Participation**” means, in relation to each PLI Series, the nominal value of the Participation Loan Instruments issued thereunder plus any participation amount provided to the Issuer by the Shareholders under such PLI Series.

“**Original Shareholders**” means the shareholders of the Issuer on the First Issue Date (being Strukturinvest, Martin Fredriksson and Thomas Olsson).

“**Participation Loan Amount**” has the meaning set forth in Clause 3.5.

“**Participation Loan Instrument**” means a debt instrument representing a participation loan (Sw. *kapitalandelslån*) issued by the Issuer pursuant to Chapter 11, Section 11 of the Companies Act.

“**Permitted Costs**” means the following costs, fees and expenses in relation to the Portfolio incurred by the Issuer:

- (a) legal, audit, custodial, consulting, valuation and other professional fees relating solely to this PLI Series (including costs in connection with, and for the purpose of maintaining, the listing of the Debentures in accordance with Clause 14.9 but excluding any set-up costs for establishing the Issuer);
- (b) costs relating to investments of the unutilised part of the Total Participation in accordance with Clause 5.1.3;
- (c) costs relating to Hedging Arrangements entered into by the Issuer;
- (d) transfer, capital and other taxes and duties (excluding tax related to the Management Fee and tax on the Issuer’s income) imposed on the Issuer solely in relation to this PLI Series;
- (e) any other costs incurred by the Issuer in providing Loans (including arrangement, banking, syndication, brokerage, broken-deal, registration, finders’, depository and similar fees or commissions to Strukturinvest or any other distributor);
- (f) any costs referred to in sub-sections (a) and (d) relating both to this PLI Series and one or several Additional PLI Series, allocated between the relevant PLI Series *pro rata* to each Original Series Participation; and

- (g) costs relating to management services provided by the Original Shareholders, up to a maximum amount of 1.0 per cent *per annum* on the sum of the Total Participation on the last day of the relevant Interest Period.

Items (a) to (f) may not include any costs which are payable to the Shareholders, except for any fees payable to Strukturinvest under item (e).

“**PLI Series**” means any Participation Loan Instrument series either constituted by these Terms and Conditions or issued in accordance with Clause 4.1.

“**PLI Series Terms**” means these Terms and Conditions and any terms and conditions which constitute an Additional PLI Series and which have been adopted in accordance with Clause 4.3.

“**Portfolio**” means (i) the Loans and Derived Assets, (ii) any unutilised part of the Total Participation, (iii) any funds or assets which shall be, but have not yet been, repaid or otherwise distributed to the Shareholders and/or the Debentureholders pursuant to these Terms and Conditions and (iv) in-the-money Hedging Arrangements.

“**Portfolio Value**” means the market value (determined in accordance with GAAP, consistently applied from the First Issue Date) from time to time of the Portfolio.

“**Principal Proceeds**” means any principal received by, or repaid or refunded to, the Issuer relating to a Loan, including any amount received by the Issuer under Hedging Arrangements in connection with a repayment of a Loan, and any amounts deemed as Principal Proceeds in connection with a Shortfall Compensation.

“**Quota Share**” means (i) in relation to an Original Shareholder, its Shareholder Participation divided by the Total Participation, and (ii) in relation to a Debentureholder, the aggregate Adjusted Nominal Amount of its Debentures divided by the Total Participation.

“**Real Property**” means all land, buildings, fixtures and installations whether below or above ground, including site leaseholds (*tomträtt*) which is owned, either directly or indirectly, by a Borrower.

“**Record Date**” has the meaning set forth in Clause 8.1.1.

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

“**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 securities is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

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

“**Shareholder Participation**” means the amount denominated in Swedish Kronor which is provided to the Issuer by the Original Shareholders in accordance with Clause 3.6 for the purpose of investments in accordance with these Terms and Conditions less any amount thereof which has been repaid to the Original Shareholders pursuant to Clause 10.1(b).

“**Shareholder**” means the Original Shareholders and each future shareholder of the Issuer to which shares in the Issuer have been transferred or issued without an event of default occurring under Clause 15.1(b) (*Change of Control*).

“**Shortfall Compensation**” has the meaning set forth in Clause 9.3.1.

“**Strukturinvest**” means Strukturinvest Fondkommission (FK) AB, Reg. No. 556759-1721.

“**Subscription Date**” means the last date on which the Debentures to be issued on the First Issue Date were subscribed for (being 28 November 2014), or, in relation to any Subsequent Debentures, the last date on which any such subsequently issued Debentures can be subscribed for.

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

“**Subsequent Issue Date**” means the date on which any Subsequent Debentures are issued.

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

“**Total Participation**” means the sum of the Debentureholder Participation and the Shareholder Participation.

“**Up-front Fees**” has the meaning set forth in Clause 5.1.5.

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

## 1.2 Construction

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

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

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

1.2.3 No delay or omission of any Debentureholder to exercise any right or remedy under these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

## **2. STATUS OF THE DEBENTURES AND UNDERTAKING TO MAKE PAYMENT**

- 2.1 The Debentures are denominated in Swedish Kronor and each Debenture is constituted by these Terms and Conditions.
- 2.2 Subject to Clause 2.4, the Issuer undertakes to repay the Participation Loan Amount, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.3 The Issuer's obligation to repay the Participation Loan Amount is dependent on the value of the Portfolio from time to time. A Debentureholder is not guaranteed to receive repayment of the Nominal Amount of its Debentures.
- 2.4 The Debentureholders' right to repayment of the relevant Participation Loan Amount and Interest thereon is limited to the assets contained in the Portfolio and any amounts received by the Issuer in relation to the Portfolio and the Debentureholders shall not be entitled to any other assets held by the Issuer or any amounts received by the Issuer in relation to such assets.
- 2.5 By subscribing for Debentures, each initial Debentureholder agrees that the Debentures shall benefit from and be subject to these Terms and Conditions and by acquiring Debentures, each subsequent Debentureholder confirms such agreement.
- 2.6 The Debentures constitute direct, conditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them. The payment obligations of the Issuer under the Debentures shall, subject to the provisions of applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.
- 2.7 Except as set forth in Clause 4, the Issuer may not issue any other Participation Loan Instruments than the Debentures or take any part, directly or indirectly, in any other business than as comprised by any PLI Series Terms.
- 2.8 The Debentures are freely transferable but the Debentureholders may be subject to purchase or transfer restrictions with regard to the Debentures, as applicable, under local laws to which a Debentureholder may be subject. Each Debentureholder must ensure compliance with such restrictions at its own cost and expense.
- 2.9 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Debentures or the possession, circulation or distribution of any document or other material relating to the Issuer or the Debentures in any jurisdiction other than Sweden, where action for that purpose is required. Each Debentureholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Debentures.

## **3. PARTICIPATIONS BY THE PARTIES**

- 3.1 The participation loan will be represented by Debentures, each in a nominal amount of SEK 1,000,000 (the "**Nominal Amount**").
- 3.2 All Initial Debentures will be issued on a fully paid basis and all Initial Debentures will be issued at an issue price of 100.0 per cent of the Nominal Amount plus a premium in an amount agreed by the Issuer and each such Debentureholder to be paid as a brokerage fee by the Issuer to the relevant broker or Original Shareholder.



- 3.3 The Issuer may issue Subsequent Debentures, provided that such issue will not cause the Issuer to be in breach of the Terms and Conditions. Subsequent Debentures shall benefit from and be subject to these Terms and Conditions and, for the avoidance of doubt, the international securities identification number (ISIN), interest rate, nominal amount and final maturity applicable to the Initial Debentures shall apply to the Subsequent Debentures. Each Subsequent Debenture shall entitle its holder to Interest in accordance with Clause 9.1, and otherwise have all the same rights as the Initial Debentures.
- 3.4 All Subsequent Debentures will be issued on a fully paid basis and all Subsequent Debentures will be issued at an issue price of 100.0 per cent of the Nominal Amount, plus a premium in an amount: (i) agreed by the Issuer and each such Debentureholder to be paid as a brokerage fee by the Issuer to the relevant broker or Original Shareholder and (ii) corresponding to the Issuer's best estimate of the accrued Interest from (but excluding) the Interest payment date immediately preceding the relevant Subsequent Issue Date up to (and including) the relevant Subsequent Issue Date.
- 3.5 The principal amount of a Debenture from time to time, which reflects the principal of the participation loan owed by the Issuer to a Debentureholder in relation to each Debenture equals: (i) the Adjusted Nominal Amount divided by the Total Participation, (ii) then multiplied by the Portfolio Value, or if lower, the Total Participation (the "**Participation Loan Amount**").
- 3.6 The Original Shareholders may make a total contribution of up to SEK 20,000,000, by way of equity, capital contribution or subordinated loans, to the funds available for Loans pursuant to these Terms and Conditions. The contribution by the Original Shareholders shall be made available to the Issuer no later than when the Debentureholder Participation is made available to the Issuer.
- 3.7 The Total Participation shall not at any time exceed SEK 400,000,000.

#### **4. ADDITIONAL PLI SERIES**

- 4.1 The Issuer has, before the First Issue Date, issued Participation Loan Instruments in instalments of (i) a first series on 22 October 2013, (ii) a second series on 7 February 2014 and (iii) a third series on 7 July 2014. In relation to the PLI Series issued on 7 July 2014, a number of subsequent debentures were issued on 17 October 2014.
- 4.2 The Issuer may, after the First Issue Date, issue other Participation Loan Instruments than the Participation Loan Instruments constituted by these Terms and Conditions.
- 4.3 Additional PLI Series may only be constituted by terms and conditions which:
- (a) specify that the commitments by the relevant Instrumentholders and Shareholders shall be utilised for the same purpose as that which applies to the Debentures under Clause 5.1;
  - (b) specify that the relevant Instrumentholders' rights shall be limited in recourse to the portfolio of assets funded by the relevant Additional PLI Series in the same manner that applies in relation to these Terms and Condition under Clause 2.4;
  - (c) in relation to the relevant Additional PLI Series, contain the same events of default as those set forth in Clause 15.1; and

- (d) are otherwise made out on substantially the same terms and conditions as these Terms and Conditions.

## 5. USE OF PROCEEDS

### 5.1 Purpose

- 5.1.1 The Issuer shall utilise the Total Participation to provide loans to real property owners, materially in accordance with the Loan Details which have been fairly presented to the Debentureholders in accordance with Clause 5.1.2 or otherwise approved by the Debentureholders.
- 5.1.2 Between each Subscription Date and the First Issue Date (in relation to the Initial Debentures) and each Subsequent Issue Date (in relation to any Subsequent Debentures), the Issuer shall fairly present (in writing) to the persons or entities which have subscribed for, but to whom Debentures have not yet been issued, the Loan Details for the Loans to be provided by the Issuer or existing Loans for which the terms are to be altered. Any such person or entity may between each Subscription Date and the First Issue Date or Subsequent Issue Date, as the case may be, elect to revoke its commitment to subscribe for one or several Debentures without cause. For the avoidance of doubt, nothing in this Clause 5.1.2 shall be construed so as to oblige the Issuer to redeem any Debentures already issued.
- 5.1.3 Any unutilised part of the Total Participation shall be invested in Swedish Kronor denominated governmental loans or bonds with a maximum of three (3) months remaining to maturity or be placed on short term bank deposits.
- 5.1.4 The Issuer may agree to immaterial changes to the terms of existing Loans without the consent of the Debentureholders or without having fairly presented such changes in accordance with Clause 5.1.2. "Immaterial changes" shall include, without limitation changes to (i) Security afforded to the Issuer by a Borrower, if such alteration does not, at the time of such change, detrimentally affect the Issuer's Security for a Loan (taken as a whole) and (ii) interest rate and charges under a Loan if the total amounts payable to the Issuer during the full term of such Loan remain substantially the same. Changes to the term or loan amount of a Loan shall never be considered "immaterial changes".
- 5.1.5 The following amounts will be payable by the Issuer to Strukturinvest and certain brokers (together the "**Up-front Fees**"):
- (a) in relation to the Initial Debentures, and during the first Interest Period, an amount equal to 2.0 per cent of the Nominal Amount of all Initial Debentures will be payable by the Issuer to Strukturinvest as an arrangement fee and an amount equal to 2.5 per cent of the Nominal Amount of all Initial Debentures will be payable by the Issuer to certain brokers as a brokerage fee; and
  - (b) in relation to any Subsequent Debentures, and during the first Interest Period following their issuance, an amount equal to 2.0 per cent of the Nominal Amount of all Subsequent Debentures will be payable by the Issuer to Strukturinvest as an arrangement fee and an amount equal to 2.5 per cent of the Nominal Amount of all Subsequent Debentures will be payable by the Issuer to certain brokers as a brokerage fee.

The Issuer may utilise part of the Total Participation to pay the Up-front Fees.

5.1.6 Should the amount of the net return of the Portfolio, as described in items (a)-(e) in the definition of Ordinary Income, not suffice to pay the Management Fee and Permitted Costs during a financial quarter (an “**Ordinary Income Shortfall**”), the Issuer may utilise part of the Total Participation to pay such Ordinary Income Shortfall.

## 5.2 **Objective**

The principal objective of the Issuer is to achieve a net annual return on the Total Participation amounting to between six (6) and eight (8) per cent, such net return to be distributed in accordance with these Terms and Conditions.

## 5.3 **Restrictions**

5.3.1 The Issuer shall only provide Loans to Borrowers that, directly or indirectly, own Real Property which:

- (a) is located in an Approved Jurisdiction;
- (b) has building(s) sitting on it utilised as offices, for sales, for storage, for logistics, as residences or for “mixed use”; and
- (c) has an estimated market value of between SEK 50,000,000 and SEK 2,000,000,000.

5.3.2 The amount of a Loan provided by the Issuer to a Borrower in order to finance certain Real Property, shall not, together with any other senior or equal ranking indebtedness of the Borrower previously provided to the Borrower in order to finance such Real Property at the date when such Loan is provided, exceed 85 per cent of the estimated market value of such Real Property.

5.3.3 Loans provided by the Issuer to a Borrower shall be secured with adequate Security and shall preferably constitute first ranking or subordinated mortgage over the Real Property financed by the Loan and/or pledges over the shares in the company owning the Real Property and/or a guarantee from the Borrower’s parent company. Loans provided by the Issuer shall, in terms of law on preferential rights, be at least equated with each Borrower’s other unsecured and unsubordinated payment obligations, except where such obligations have more preferential rights under current law.

5.3.4 The maturity date of each Loan shall occur prior to the Final Repayment Date.

5.3.5 An unutilised amount of up to ten (10) per cent of the Total Participation may be retained to be used after the Issue Date for payment of costs related to the Portfolio.

5.3.6 If the Loan Details fairly presented in accordance with Clause 5.1.2 have not resulted in the Issuer providing or altering a Loan within six (6) months after the First Issue Date or Subsequent Issue Date (as the case may be), the Issuer may no longer provide or alter a Loan without the consent of such Debentureholders.

5.3.7 On such date that the Issuer obtains authorisation to manage an alternative investment fund from the Swedish Financial Services Authority or other competent authority, the Issuer shall no longer be bound by the restrictions set forth in these Terms and Conditions on altering existing Loans or providing new Loans without the approval of the Debentureholders.

5.3.8 Subject only to Clauses 5.3.6 and 5.3.7, no Loans may be provided by the Issuer without the consent of the Debentureholders.

5.3.9 The restrictions in this Clause 5.3 may be varied with the consent of the Debentureholders.

#### 5.4 Hedging Arrangements

The Issuer may, with the consent of the Debentureholders, enter into hedging arrangements for the purpose of currency protection of Swedish Kronor against the currency in which a Loan is denominated and interest rate protection.

#### 5.5 Derived Assets

The Issuer may as a consequence of it making or holding a Loan, or in connection with a restructuring or composition in relation to a Loan made by the Issuer, obtain Derived Assets. Such Derived Assets shall be held by the Issuer as a part of the Portfolio and sold or otherwise disposed of when the Issuer deems fit.

#### 5.6 Loan allocation between different PLI Series

Loans provided by the Issuer after having issued Additional PLI Series shall, subject to the lending restrictions that apply under the relevant PLI Series Terms, be allocated between the PLI Series *pro rata* to each Original Series Participation. If the Available Series Participation of a PLI Series does not cover the *pro rata* amount required to provide the relevant Loan, such shortfall shall be allocated between the other PLI Series *pro rata* to each Original Series Participation.

The mechanism described above is exemplified in the table below. The amount of the Loan to be allocated between PLI Series by the Issuer in the example is SEK 400.

	Debenture Serie I	Debenture Serie II	Debenture Serie III
Original Series Participation	150	250	500
Available Series Participation	50	250	500
<i>Pro rata</i> allocation	$150/900 \approx 0,17$ $0.17*400 = 68$ Loan amount: 50 Shortfall: 18	$250/900 \approx 0,28$ $0.28*400 = 112$ Loan amount: 112	$500/900 \approx 0,55$ $0.55*400 = 220$ Loan amount: 220
Shortfall compensation	-	$250/750 \approx 0.33$ $0.33*18 = 5.94$ Shortfall comp.: 5.94	$500/750 \approx 0.67$ $0.67*18 = 12.06$ Shortfall comp.: 12.06
<b>Final Loan allocation</b>	<b>50</b>	<b>117.94</b>	<b>232.06</b>

## **6. DEBENTURES IN BOOK-ENTRY FORM**

- 6.1 The Debentures will be registered for the Debentureholders on their respective Securities Accounts and no physical Debentures will be issued. Accordingly, the Debentures will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Debentures shall be directed to an Account Operator.
- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Debenture shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 The Issuer shall be entitled to obtain information from the register kept by the CSD in respect of the Debentures (*skuldbok*). At the request of a Debentureholder, the Issuer shall request and provide such information to that Debentureholder.

## **7. RIGHT TO ACT ON BEHALF OF A DEBENTUREHOLDER**

- 7.1 If any person other than a Debentureholder wishes to exercise any rights under the Terms and Conditions, it must obtain a power of attorney or other proof of authorisation from the Debentureholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Debentureholder and authorising such person.
- 7.2 A Debentureholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Debentures held by it. Any such representative may act independently under the Terms and Conditions in relation to the Debentures for which such representative is entitled to represent the Debentureholder and may further delegate its right to represent the Debentureholder by way of a further power of attorney.

## **8. PAYMENTS IN RESPECT OF THE DEBENTURES**

### **8.1 Payments of Participation Loan Amount and Interest**

- 8.1.1 Any payment or repayment under the Terms and Conditions shall be made to such person who is registered as a Debentureholder on the record date five (5) Business Days prior to the relevant due date (the “**Record Date**”), or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment or repayment.
- 8.1.2 If a Debentureholder 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 Debentureholder 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 Debentureholder on the Record Date as soon as possible after such obstacle has been removed.
- 8.1.3 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.
- 8.1.4 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.

8.1.5 The Issuer is not liable to gross up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or the similar.

## 8.2 Allocation of payments

8.2.1 Any Interest shall be paid to the Debentureholders as interest on the Debentures.

8.2.2 Any repayment of the Debentureholder Participation shall be a repayment of the Participation Loan Amount.

8.2.3 If both the Participation Loan Amount and Interest are due for payment and if the available funds are insufficient to discharge all the amounts due and payable, the available funds shall first be applied towards payment of Interest and secondly towards repayment of the Total Participation.

8.2.4 The Issuer may make payments to the Shareholders in any form (whether relating to Interest, Management Fees, repayment of the Shareholder Participation or otherwise).

8.2.5 The Issuer may, at its discretion, retain any amounts payable to the Shareholders. Such amounts shall be kept separated from, and not form part of, the Portfolio. Any amount so retained shall nonetheless be deemed repaid or otherwise distributed to the Shareholders for the purpose of these Terms and Conditions.

## 8.3 Payment of Management Fee

The Management Fee shall be calculated quarterly. The Management Fee shall be for the account of the Original Shareholders and shall not form part of the Portfolio. The Management Fee shall be distributed among the Original Shareholders as agreed among them and with the Issuer and shall be paid in advance to the Original Shareholders on the first day of each Interest Period.

## 8.4 Receipt in kind

Any Ordinary Income or Principal Proceeds received otherwise than in cash that is immediately available for distribution shall not be considered to have been received by the Issuer until such income or proceeds have been converted to cash in a commercially reasonable manner.

## 9. INTEREST

### 9.1 Payment of Interest

9.1.1 Subject to Clause 9.3, the Issuer shall apply any Ordinary Income received during an Interest Period, less any Carried Interest in respect of such Interest Period, as interest on the Total Participation (“**Interest**”). Each Debentureholder and Original Shareholder is entitled to its Quota Share of any Interest. All calculations of Interest shall be made without taking into account any tax payable by the Issuer (other than if a Permitted Cost).

9.1.2 Interest accrues during an Interest Period and is payable to the Debentureholders ten (10) Business Days after the last day of each Interest Period. Each Initial Debenture carries Interest from (but excluding) the First Issue Date up to (and including) the Final Repayment Date. Each Subsequent Debenture will carry Interest from (but excluding) the Interest payment date immediately preceding its issuance up to (and including) the Final Repayment Date. Notwithstanding the foregoing, Interest to Debentureholders is payable

twenty five (25) Business Days after the Interest Period ending on the Final Repayment Date. Interest on the Shareholders Participation shall be for the account of the Original Shareholders and shall after the last day of the relevant Interest Period not form part of the Portfolio.

## 9.2 Carried Interest

Twenty (20) per cent of the part of the aggregate Ordinary Income (after the Shortfall Compensation has been made) for an Interest Period that exceeds the equivalent of the Hurdle Rate calculated on the Total Participation during such Interest Period is “Carried Interest” and shall be for the account of the Shareholders and shall not form part of the Portfolio. The Carried Interest shall be distributed among the Shareholders as agreed among them and the Issuer.

## 9.3 Shortfall Compensation

9.3.1 As a result of the payment of the Up-front Fees, the initial value of the Portfolio will decrease as portion of the Total Participation and should any Ordinary Income Shortfall occur, the value of the Portfolio will be reduced by such amount. In order to compensate for these reductions of the value of the Portfolio, the Issuer shall, when calculating the Interest each financial quarter, deem an amount of the received Ordinary Income equal to five (5) per cent of the Up-front Fees plus any amount previously paid by the Issuer to cover Ordinary Income Shortfalls as set forth in Clause 5.1.6 as Principal Proceeds (a “Shortfall Compensation”).

9.3.2 If the Ordinary Income received during a financial quarter does not cover the payment of Shortfall Compensation as set forth in Clause 9.3.1, such shortfall shall, to the extent possible, be compensated when calculating the Interest during the following financial quarter or, if applicable, when there is sufficient Ordinary Income to cover such shortfall.

## 10. PRINCIPAL PROCEEDS

10.1 Any Principal Proceeds received by the Issuer after the First Issue Date shall be retained by the Issuer and shall be applied towards providing new Loans, provided however, that such Principal Proceeds may:

- (a) *first*, up until 18 months prior to the Final Repayment date, and notwithstanding Clause 5.3.5, at the Issuer’s discretion, be retained by the Issuer and applied towards the payment of costs related to the Portfolio;
- (b) *second*, if applicable, be applied towards repayment, ten (10) Business Days after the last day of the relevant Interest Period (except for the Interest Period ending on the Final Repayment Date, for which payment shall be made within twenty five (25) Business Days), *pro rata* of the Debentureholder Participation and the Shareholder Participation up to an amount which together with any amount retained pursuant to paragraph (a) is equivalent to the original Loan amount, (determined in accordance with GAAP); and
- (c) *third*, if applicable, be applied as Ordinary Income.

10.2 Until the date when the Issuer no longer reasonably deems it appropriate to retain such amounts, any amount retained by the Issuer in accordance with Clause 10.1(a) shall not be deemed to form part of Principal Proceeds, provided that after the 18 month period

mentioned in Clause 10.1(a) has expired, the amount retained in accordance with Clause 10.1(a) may not exceed ten (10) per cent of the Total Participation.

## **11. REPAYMENT OF DEBENTUREHOLDER PARTICIPATION**

### **11.1 Final Repayment Date**

11.1.1 If there are Loans remaining in the Portfolio on the date falling three (3) months prior to the Final Repayment Date, which cannot be expected to be repaid on maturity or be disposed in a commercially sound manner, the Issuer shall arrange for a decision among the Debentureholders in accordance with Clause 16 on whether:

- (a) the Issuer shall provide an arrangement whereby the abovementioned outstanding Loans continue to be held by the Issuer as approved by the Debentureholders; or
- (b) the abovementioned outstanding Loans shall be distributed in kind in accordance with Clause 10.1(b) applied *mutatis mutandis*.

11.1.2 Following distribution (if any) in accordance with Clauses 10.1(a) or 11.1.1, the Debentures shall be deemed repaid in full and the Issuer shall have no further obligations to the Debentureholders.

### **11.2 Changes to Legislation**

Should it become unlawful for the Issuer to perform its obligations under the these Terms and Conditions, or should any substantial decrease in revenue occur for the Issuer or substantial additional or increased cost be incurred or suffered by the Issuer, as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of these Terms and Conditions, the Issuer may declare the Debentures prematurely due and payable on a date determined by the Issuer, by giving the Debentureholders at least six (6) months' notice. During such period, the Portfolio shall be unwound in accordance with Clause 11.1 applied *mutatis mutandis*, unless the Issuer, the Shareholders and the Debentureholders agree otherwise.

## **12. MANAGEMENT OF THE PORTFOLIO**

12.1 The Original Shareholders shall manage the Portfolio on behalf of the Issuer in exchange for the Management Fee. The Issuer may only provide Loans in accordance with decisions by a credit committee appointed by the Board of Directors.

12.2 The Key Executives shall be responsible for the management of the Portfolio. In case any Key Executive for any reason terminates his employment with the Issuer or his employment is being terminated by the Issuer, the Board of Directors shall use its best efforts to replace him with a substitute executive as soon as possible and preferably before his employment has ended. Any substitute executive must have sufficient skill and experience and be approved by the Debentureholders.

12.3 The Board of Directors shall consist of between three (3) and six (6) members, appointed by the Shareholders. At least one board member shall be a person independent from the Shareholders, with such competence within the field of auditing and/or accounting as is required pursuant to Chapter 8, Section 49a paragraph 2 of the Companies Act.



### 13. INFORMATION TO DEBENTUREHOLDERS

- 13.1 The Issuer will make the following information available to the Debentureholders by way of press release and by publication on the website of the Issuer:
- (a) no later than five (5) months after the end of each financial year, its annual audited financial statements;
  - (b) no later than two (2) months after the end of each financial quarter, its unaudited financial statements, provided that the financial statements delivered after the end of the second financial quarter in each year shall also include a review by the auditors;
  - (c) no later than five (5) months after the end of each financial year, an annual portfolio report which includes a narrative description of material developments of the Portfolio, a balance sheet and profit and loss account for the Portfolio, a specification of the Portfolio Value as of the last Business Day of such financial year, information on payments and distributions made to the Shareholders in relation to the Portfolio during such financial year, information on the Management Fees, Permitted Costs and Shortfall Compensations relating to the Portfolio for the preceding financial year, the amount available for providing Loans at the last preceding financial quarter and accruals/distributions of Carried Interest for the preceding financial year, provided further that each annual portfolio report shall be reviewed by the auditors; and
  - (d) no later than two (2) months after the end of each financial quarter, a quarterly portfolio report which includes a narrative description of material developments of the Portfolio, a specification of the Portfolio Value as of the last Business Day of such financial quarter, information on payments and distributions made to the Shareholders in relation to the Portfolio during such financial quarter, information on the Management Fees, Permitted Costs and Shortfall Compensations relating to the Portfolio for the preceding financial quarter, the amount available for providing Loans at the last preceding financial quarter and accruals/distributions of Carried Interest for the preceding financial quarter,
- in each case in accordance with GAAP, unless the Debentureholders at the request of the Issuer have agreed to substitute GAAP with other principles.
- 13.2 The Issuer is obliged to promptly notify the Debentureholders (with full particulars) if any circumstance specified in Clause 15 occurs.
- 13.3 The Issuer shall keep the Debentureholders informed in writing of relevant details relating to any issue of Additional PLI Series or any Subsequent Debentures issued under these Terms and Conditions.
- 13.4 The Issuer shall, promptly upon becoming aware of the same, notify the Debentureholders, with reasonable detail, if the Instrumentholders holding Participation Loan Instruments issued under an Additional PLI Series declare the Participation Loan Instruments issued under such Additional PLI Series due and payable prior to the specified maturity as a result of an event of default (however described).
- 13.5 The Issuer shall convene an annual information meeting for the Debentureholders to be held within twenty (20) Business Days after the delivery of the annual audited financial

statements in accordance with Clause 13.1(a). The purpose of the information meeting is to present the activities of the Issuer relating to the Portfolio during the previous year.

- 13.6 Notwithstanding Clause 13.1, the Issuer may from time to time provide additional information to Debentureholders that have made confidentiality undertakings to the Issuer. If the Issuer decides to offer the Debentureholders any additional information, all Debentureholders shall be treated equally and entitled to receive the same information, provided they enter into confidentiality undertakings, as requested by the Issuer.

## **14. GENERAL UNDERTAKINGS**

### **14.1 Distributions**

- 14.1.1 The Issuer shall not (i) make any dividend on shares, (ii) repurchase its own shares, (iii) repay share capital or other restricted equity with repayment to Shareholders by way of redemption or otherwise or (iv) make other similar distributions to its Shareholders, unless if relating to the distribution of funds generated under any Additional PLI Series as specified in the relevant PLI Series Terms.

- 14.1.2 The Issuer may, at its discretion, distribute assets and funds not forming part of the Portfolio.

### **14.2 Business of the Issuer**

The Issuer shall procure that no change is made in the general nature of the business of the Issuer from that carried on as of the First Issue Date and the Issuer shall not engage in any other business activity different from what is contemplated by the PLI Series Terms, except with the prior consent of the Debentureholders.

### **14.3 Financial Indebtedness**

The Issuer may only incur Financial Indebtedness if the aggregate outstanding amount of all Financial Indebtedness for the Issuer does not at any time exceed SEK 5,000,000.

### **14.4 Negative pledge**

Except as set forth in relation to limited recourse for the Debentureholders in Clause 2.4 or similar limited recourse clauses in any PLI Series Terms other than these Terms and Conditions, the Issuer shall not create or permit to subsist, any Security over any of part of the Portfolio or enter into any other preferential arrangement having a similar effect.

### **14.5 Currency Protection**

Any Hedging Arrangements shall be made with a reputable bank or financial institution.

### **14.6 Authorisations**

The Issuer shall procure that it obtains and maintains all necessary authorisations, consents and any other relevant regulatory approvals or permits.

### **14.7 Separation of different PLI Series**

- 14.7.1 The Issuer shall at all times keep the Portfolio separated from its other assets and any portfolios under Additional PLI Series (whether physically or by way of book-keeping).

14.7.2 The Issuer shall at all times keep different PLI Series separated from a book-keeping perspective. As part of such separate book-keeping, the Issuer shall allocate income related to and repayments of loans funded from different PLI Series *pro rata* to the loan amounts provided from such PLI Series.

14.7.3 The Issuer shall have a separate bank account for each PLI Series and shall, as soon as practically possible, allocate between such bank accounts cash amounts received as income related to or repayment of loans funded by different PLI Series.

#### 14.8 **Separation of Ordinary Income and Principal Proceeds**

For the purpose of calculating Ordinary Income and Principal Proceeds, each Loan shall be kept as a separate book entry in the books of the Issuer.

#### 14.9 **Admission to trading**

14.9.1 The Issuer shall use its best efforts to ensure that the loan constituted by these Terms and Conditions and evidenced by the Debentures is admitted to trading on the Regulated Market not later than 31 March 2015, and that it remains admitted or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

14.9.2 Following an admission to trading, the Issuer shall take all actions on its part to maintain the admission as long as any Debentures are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

### 15. **ACCELERATION OF THE DEBENTURES**

15.1 Any Debentureholder is (subject to the further conditions specified below) entitled to declare all of its Debentures immediately due and payable, if any of the following events has occurred and is continuing:

(a) *Insolvency:*

- (i) The Issuer is unable or admits inability to pay its debts as they fall due, or suspends making payments on any of its debts.
- (ii) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation of the Issuer;
  - (B) a composition, compromise, assignment or arrangement with any creditor of the Issuer;
  - (C) the appointment of a liquidator, receiver, administrator or other similar officer in respect of the Issuer or any of its assets; or
  - (D) enforcement of any security over any assets of the Issuer,

or any analogous procedure or step is taken in any jurisdiction, except for any action by a third party that is frivolous or vexatious and is discharged, stayed or dismissed within twenty (20) Business Days of commencement.

- (b) *Change of Control*: The Original Shareholders together ceasing to hold, directly or indirectly, more than 50 per cent of all votes and outstanding shares of the Issuer, except if, and to the extent, the Debentureholders have consented to the relevant share transfer or issue in accordance with Clause 16.4(d).
  - (c) *Cross Default*: Any Instrumentholder holding Participation Loan Instruments issued under an Additional PLI Series becomes entitled to declare all of its Participation Loan Instruments immediately due and payable prior to its specified maturity as a result of an event of default (however described).
  - (d) *Failure to Comply*: The Issuer or (where applicable) the Shareholders fail to comply with, or in any way act in violation of, a material obligation under these Terms and Conditions, provided that (i) Debentureholders representing more than 50 per cent of the Debentureholder Participation have notified the Issuer in reasonable detail of the relevant failure and/or violation, (ii) the failure and/or violation is not caused by technical or administrative error and (iii) that the Issuer or the relevant Shareholder does not remedy such failure or violation within forty (40) Business Days from the day of receipt of such notification. If the failure or violation cannot be remedied, or if the Issuer or the relevant Shareholder fails to remedy the failure or violation as set out above, each Debentureholder may, following notification as aforesaid, declare its Debentures payable without such prior notice.
- 15.2 If any Debentures are declared due and payable in accordance with Clause 15.1(a) (*Insolvency*), 15.1(b) (*Change of Control*) or 15.1(c) (*Cross Default*):
- (a) each other Debentureholder shall be promptly notified thereof, and have the right to declare its Debentures due and payable; and
  - (b) the Issuer shall apply an amount equivalent to the relevant Debentureholder's Quota Share (and the Quota Share of any Debentureholder which has declared its Debentures due and payable in accordance with paragraph (a)) of the Portfolio towards repayment up to the Participation Loan Amount. Any amount thus received, which is in excess of the Participation Loan Amount, shall be paid to the relevant Debentureholder(s) as Interest.
- 15.3 If any Participation Loan Instruments are declared due and payable in accordance with any PLI Series Terms other than these Terms and Conditions, the Issuer shall promptly inform the Debentureholders thereof in accordance with Clause 13.4 and the Debentures shall become immediately due and payable.
- 15.4 If any Debentures are declared due and payable in accordance with Clause 15.1(d) (*Failure to Comply*) or become due and payable in accordance with Clause 15.3, the Portfolio shall be unwound. During the period when the Portfolio is being unwound, the Debentureholders may request that one or several Key Executives shall be replaced by one or several substitute executives, which shall in such case be elected by the Debentureholders and have sufficient skill and expertise, and Clause 11.1 shall otherwise be applied *mutatis mutandis* for a period of six (6) months commencing on the day the Debentures were declared due and payable.

## 16. DECISIONS BY DEBENTUREHOLDERS

- 16.1 Any request from the Issuer or a Debentureholder (or Debentureholders) representing at least ten (10) per cent of the Debentureholder Participation (such request may only be validly made by a person who is a Debentureholder on the Business Day immediately following the day on which the request is received by the Issuer and shall, if made by several Debentureholders, be made by them jointly) for a decision by the Debentureholders on a matter relating to these Terms and Conditions shall be directed to the Issuer and dealt with at a Debentureholders' Meeting or by way a Written Procedure, as determined by the requesting person(s). The person(s) requesting the decision may suggest the form for decision making, but if it is in the Issuer's opinion more appropriate that a matter is dealt with at a Debentureholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Debentureholders' Meeting.
- 16.2 The Issuer may refrain from convening a Debentureholders' Meeting or instigating a Written Procedure if the suggested decision must be approved by any person in addition to the Debentureholders and such person has informed the Issuer that an approval will not be given.
- 16.3 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 7 from a person who is, registered as a Debentureholder:
- (a) on the fifth (5) Business Day prior to the date of the Debentureholders' Meeting, in respect of a Debentureholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 18.2, in respect of a Written Procedure,
- may exercise voting rights as a Debentureholder at such Debentureholders' Meeting or in such Written Procedure.
- 16.4 The following matters shall require the consent of Debentureholders representing at least 67 per cent of the Debentureholder Participation for which Debentureholders are voting at a Debentureholders' Meeting or for which Debentureholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.2:
- (a) any change to, or waiver of, these Terms and Conditions (subject to Clause 16.5 and 16.6, as applicable);
  - (b) dealings in matters in which a Shareholder or an Affiliate has a conflicting interest;
  - (c) any transactions or agreements between the Issuer and any of the Shareholders or an Affiliate, except for agreements relating to services contemplated by any PLI Series Terms; and
  - (d) a transfer by any Original Shareholder of any shares or interest in the Issuer or an issue of shares or interests by the Issuer that would result in the Original Shareholders ceasing to hold more than 50 per cent of all votes and outstanding shares of the Issuer.

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- 16.5 The following matters shall require the consent of all Debentureholders of the Debentureholder Participation for which Debentureholders are voting at a Debentureholders' Meeting or for which Debentureholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.2:
- (a) the issue of further Participation Loan Instruments (for the avoidance of doubt, for which consent shall be required at each occasion any such are issued) other than as contemplated by these Terms and Conditions;
  - (b) a change to the terms dealing with Debentureholder consent;
  - (c) an extension of the term of the Debentures;
  - (d) early termination of the Debentures and/or any part of the Debentureholder Participation (other than as set out in these Terms and Conditions); and
  - (e) changes to the general nature of the Issuer's business as set out in Clause 14.2; and
  - (f) a change to the terms for allocation and distribution of interest and proceeds.
- 16.6 Any matter not covered by Clause 16.4 or 16.5 shall require the consent of Debentureholders representing more than 50 per cent of the Debentureholder Participation for which Debentureholders are voting at a Debentureholders' Meeting or for which Debentureholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.2.
- 16.7 Quorum at a Debentureholders' Meeting or in respect of a Written Procedure only exists if a Debentureholder (or Debentureholders) representing at least fifty per cent of the Debentureholder Participation in case of a matter pursuant to Clause 16.4 or 16.5, and otherwise twenty (20) per cent of the Debentureholder Participation:
- (a) if at a Debentureholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.8 If a quorum does not exist at a Debentureholders' Meeting or in respect of a Written Procedure, the Issuer shall convene a second Debentureholders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Debentureholders' consent. The quorum requirement in Clause 16.7 shall not apply to such second Debentureholders' Meeting or Written Procedure.
- 16.9 Any decision which requires Debentureholders' consent and which also relates to one or several Additional PLI Series shall, in addition to what is set forth in this Clause 16, also require consent from the Instrumentholders of each relevant PLI Series in the manner set forth in the relevant PLI Series Terms.
- 16.10 Any decision which extends or increases the obligations of the Issuer, or limits, reduces or extinguishes the rights or benefits of the Issuer, under the Terms and Conditions shall be subject to the Issuer's consent.

- 16.11 A Debentureholder holding more than one Debenture need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Debentureholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Debentureholders that consent at the relevant Debentureholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.13 A matter decided at a duly convened and held Debentureholders' Meeting or by way of Written Procedure is binding on all Debentureholders, irrespective of them being present or represented at the Debentureholders' Meeting or responding in the Written Procedure. The Debentureholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Debentureholders.
- 16.14 All costs and expenses incurred by the Issuer for the purpose of convening a Debentureholders' Meeting or for the purpose of carrying out a Written Procedure shall be paid by the Issuer.
- 16.15 Debentures held by the Issuer, a Shareholder, an Affiliate or any other person or entity owning any Debentures (irrespective of whether such person is directly registered as owner of such Debentures) that has undertaken towards the Issuer, a Shareholder or an Affiliate to vote for such Debentures in accordance with the instructions given by the Issuer or a Shareholder, shall not entitle to participation in decisions in respect of matters requiring Debentureholders' consent or any voting rights at a Debentureholders Meeting, and such Debentures shall not be considered when calculating if the necessary majority has been achieved for a consent in accordance with these Terms and Conditions.
- 16.16 Information about decisions taken at a Debentureholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Debentureholders and published on the website of the Issuer, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Debentureholders' Meeting or Written Procedure shall at the request of a Debentureholder be sent to it by the Issuer.

## **17. DEBENTUREHOLDERS' MEETING**

- 17.1 The Issuer shall convene a Debentureholders' Meeting by sending a notice thereof to each Debentureholder. If a Debentureholder or Debentureholders have requested that a Debentureholders' Meeting be convened, such notice shall be sent no later than five (5) Business Days after receipt of a request from the Debentureholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 17.2 The notice pursuant to Clause 17.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Debentureholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Debentureholders' Meeting. Should prior notification by the Debentureholders be required in order to attend the Debentureholders' Meeting, such requirement shall be included in the notice.
- 17.3 The Debentureholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.

## **18. WRITTEN PROCEDURE**

- 18.1 The Issuer shall instigate a Written Procedure by sending a communication to each such person who is registered as a Debentureholder on the fifth (5) Business Day prior to the date on which the communication is sent. If a Debentureholder or Debentureholders have requested that a Written Procedure be instigated, such communication shall be sent no later than five (5) Business Days after receipt of a request from the Debentureholder(s) (or such later date as may be necessary for technical or administrative reasons)
- 18.2 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Debentureholders, (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 Debentureholder 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 Debentureholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 18.3 When the requisite majority consents of the total Debentureholder Participation pursuant to Clauses 16.4 and 16.5 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4 or 16.5, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19. PERIOD OF LIMITATION**

- 19.1 The right to receive repayment of the principal of the Debentures shall time barred and become void ten (10) years from the Final Repayment Date. The right to receive payment of interest (excluding any capitalised interest) shall be time barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Debentureholders' right to receive payment has been time barred and has become void.
- 19.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslagen (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Debentures, 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.

## **20. NOTICES AND PRESS RELEASES**

### **20.1 Notices**

- 20.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:
- (a) if to the Issuer, at the address set forth in Clause 1.1 or any substitute address or fax number as the Issuer may notify to the Debentureholders by not less than five (5) Business Days' notice; and
  - (b) if to the Debentureholders, at their addresses as registered with the CSD or to such other address as each Debentureholder from time to time notifies to the Issuer.



- 20.1.2 Any communication or document made or delivered by one person to another under or in connection with these Terms and Conditions will only be effective:
- (a) if by way of fax, when received in legible form;
  - (b) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address; or
  - (c) if by way of e-mail, when actually received in readable form;

and, if a particular department or officer is specified as part of its address details, if addressed to that department or officer.

- 20.1.3 Failure to send a notice or other communication to an Instrumentholder or any defect in it shall not affect its sufficiency with respect to other Instrumentholders.
- 20.1.4 Any notice received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.
- 20.1.5 If a person receives an out-of-office reply in any communication via e-mail, such communication will be effective at the date of the recipient's return, as set out in the relevant out-of-office reply (unless re-sent by way of fax or letter, in which case Clause 20.1.2(a) or (b) (as applicable) shall apply).

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

- 21.1 No Shareholder shall have any liability to the Debentureholders for any loss suffered by the Debentureholders, which arises out of any action or inaction of such Shareholder or the Board of Directors, unless such course of conduct constituted fraud, wilful misconduct or negligence on the part of such Shareholder in relation to the Debentureholders, or a breach of these Terms and Conditions.
- 21.2 Neither the Issuer nor any member of the Board of Directors shall be liable for any loss suffered by the Debentureholders, which arises out of their respective managerial and/or commercial decisions, actions or inactions under, or in connection with, these Terms and Conditions, unless such decisions, actions or inactions constituted fraud, wilful misconduct or negligence, or a breach of these Terms and Conditions.
- 21.3 Neither the Issuer, any member of the Board of Directors nor any Shareholder shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance.
- 21.4 The provisions in this Clause 21 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **22. MISCELLANEOUS**

### **22.1 Currency**

All calculations, valuations, allocations and distributions in accordance with these Terms and Conditions shall be made in Swedish Kronor and all fees to the Shareholders shall be payable in Swedish Kronor.

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## 22.2 **Conflict of Interest**

- 22.2.1 Any transactions or agreements between the Issuer and a Shareholder or an Affiliate will be on an arm's length basis and requires the prior consent of the Debentureholders, except for agreements relating to services contemplated by these Terms and Conditions.
- 22.2.2 The Issuer will provide the Debentureholders adequate disclosure with respect to all actual or potential conflict of interest situations in relation to transactions and/or agreements with a Shareholder or an Affiliate. The Debentureholders' consent pursuant to Clause 16 is required for such transactions and/or agreements, which are not contemplated by these Terms and Conditions. The management by the Original Shareholders of the Portfolio shall not constitute a conflict of interest for the Original Shareholders.

## 22.3 **Money Laundering**

- 22.3.1 The Issuer is, and will continue to be, in compliance with any applicable money-laundering laws of Sweden.
- 22.3.2 Notwithstanding any provision of this Agreement to the contrary, the Issuer shall be authorised to take such action as it determines to be necessary or advisable for it to comply with the applicable anti-money laundering laws of Sweden.

## 22.4 **Issuing Agent**

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

## 23. **GOVERNING LAW AND JURISDICTION**

- 23.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 23.2 Any dispute, controversy or claim arising out of or in connection with these Terms and Conditions, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitral tribunal shall be composed of three (3) arbitrators. The place of arbitration shall be in Stockholm and the language to be used in the arbitral proceedings shall be English unless the arbitral tribunal decides otherwise.
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