



Jefast Holding AB (publ)

relating to the listing of

up to a maximum SEK 500,000,000 Senior Secured Floating Rate
Bonds due 2019

ISIN: SE0007186085

Danske Bank A/S, Danmark, Sverige Filial



Prospectus dated 14 November 2016

IMPORTANT NOTICE:

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

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 35 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

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

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

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

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

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

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

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

TABLE OF CONTENTS

RISK FACTORS.....	4
THE BONDS IN BRIEF	15
STATEMENT OF RESPONSIBILITY	20
DESCRIPTION OF MATERIAL AGREEMENTS	21
DESCRIPTION OF THE GROUP	22
MANAGEMENT	28
HISTORICAL FINANCIAL INFORMATION.....	30
OTHER INFORMATION	32
TERMS AND CONDITIONS OF THE BONDS	34
ADDRESSES	73

RISK FACTORS

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

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

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

Risks relating to the Group and the market

Certain risks relating to the business model and the projects

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

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

Property risk

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

Project risk

The Group's projects mainly relate to adapting its properties for its respective tenants. The projects involve both renovation and expansion of the properties. During 2015-2018, the Group will carry out a larger project with respect to an urban shopping and entertainment center, Holland 25 (previously called "Söderpunkten" and hereafter "Holland 25"). The Holland 25-project will be carried out in three stages, (i) a reconstruction of approximately 13,000 square meters estimated to be completed in the fourth quarter of 2017, (ii) an extension of approximately 2,000 square meters of the existing building estimated to be completed around fourth quarter of 2017 and (iii) an extension consisting of apartments for housing purposes estimated to be completed in 2018. Stage (i) and (ii) of the project is estimated to cost the Group SEK 225,000,000, and the Group has entered into rental agreements with respect to 85 per cent of the economic occupancy. Skanska project management group was established on site in January 2016 and the construction is ongoing.

SEK 22,000,000 has been invested in adapting properties for new tenants during the first 6 months of 2016. This has increased the rental income by SEK 4,000,000 yearly. In addition, the Group will during the next years adapt properties for its respective tenants for a cost estimated to SEK 8,000,000 which in turn is expected to increase rental income with SEK 1,000,000 per year. There is a risk that the Holland 25-project and other projects relating to adapting properties for the Group's tenants are delayed for various reasons or that the cost of the projects may overrun the estimated budget, this would have a negative effect on the Group's operations, financial position, earnings and results. In addition, there is a risk that the tenants might be entitled to rent reductions and damages for which the Group would be responsible should there be any delays in adapting the respective premises within the Holland 25-project and other projects.

Environmental risks

According to the polluter pays-principle established in Swedish environmental law, the operator who has contributed to pollutions will be responsible for remediation. However, should it not be possible to locate the polluter, the property owner is subsidiary responsible for remediation and associated costs. Accordingly, there is a risk that the Group in its capacity as property owner will be held responsible for costly remediation. This risk would be exacerbated should the Group not have adequate environmental warranties in the agreements governing the acquisition of the Group's real property.

Risks relating to the lease agreements

Terminated lease agreements

Two of the Group's largest lease agreements (which together accounted for approximately 4.5 per cent of the Group's total rental income), was, during 2015, terminated for vacation by the tenants. One of the premises, Lerberget 49:710, which at the beginning of 2016 had a vacancy rate of 80 per cent, has now been fully rented by Höganäs municipality with a fifteen year lease. Swedbank AB vacated the other premises on 31 March 2016 and there are ongoing negotiations with potential new tenants, but no new lease agreements have been signed yet. There are risks involved with obtaining a new tenant/tenants for the relevant premise. New potential tenants might imply higher counterparty risks, and the Group's ability to successfully negotiate a new lease contract on favourable terms is dependent upon the general condition of the real estate market at such time. Further, the premises may have to be renovated and adjusted to serve the new tenants. There is a risk that such investments would have a negative effect on the Group's operations, financial position, earnings and results. There could also be a period when the relevant premises have no tenants and consequently no income, which would have a negative effect on the Group's operations, financial position, earnings and results.

Temporary building permit

As regards the property Höganäs Noshörningen 14 (currently let to the tenant IF Friskis och Svettis i Höganäs) there is a temporary building permit regarding the current use of the premises which will expire in 2020. This means that the current lease agreement with IF Friskis och Svettis i Höganäs cannot be prolonged after 2020 and that the Group will have to terminate the lease agreement for vacation no later than 31 October 2018.

Under Swedish lease law, a tenant is entitled to compensation from the landlord for the damage resulting from the termination of the lease agreement by the landlord, even if it is a termination at the expiry of the contracted term. This right to compensation is known, as a tenant's "indirect right to prolongation" (Sw. *Indirekt besittningsskydd*). There is no agreement between the Group and IF Friskis och Svettis i Höganäs waiving the tenant's right to compensation upon termination (i.e. the indirect right to prolongation) and thus IF Friskis och Svettis i Höganäs will most likely be entitled to compensation should they be unwilling to leave the premises upon termination of its lease agreement. In such case a tenant can within two months of the notice of termination refer the dispute to the rent tribunal. If the rent tribunal determines that the tenant is entitled to compensation, the landlord must always pay a minimum compensation to the tenant equal to an amount corresponding to one year's rent for the premises according to the lease agreement. In addition, if the tenant has suffered a loss which is not covered by this compensation due to the termination of the lease agreement, the landlord must also to a reasonably extent indemnify the tenant for this loss. Hence, there is a risk that IF Friskis och Svettis i Höganäs may claim compensation for a termination of its lease agreement and there is also a risk that the relevant premises have no tenant and consequently no income during a period of time. This would have a negative effect on the Group's operations, financial position, earnings and results.

Technical risks

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

Risks relating to the Group's business in the US

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

Global economic and market conditions

The recent and ongoing uncertainty on the international financial markets could have an adverse impact on the global economy. Any market turbulence or downturns in the global economy could affect the financial position of the Group's tenants and potentially impact their ability to pay their rent and conduct business with the Group. Deterioration in the global economy or any decrease in demand for the Group's properties would adversely impact the Group's operations, financial position, earnings and results.

Competitive landscape

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

Key persons

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

Negative publicity

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

Borrowing by the Group and interest risk

The Group has incurred, and may in compliance with the limits set out in the final Terms and Conditions further incur, financial indebtedness to finance its business operations. Such financing may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. The interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to the interest rate policies of governments and central banks in the geographical markets in which the Group operates. An increase in interest rates would entail an increase in the Group's interest obligations, which could have a negative effect on the Group's operations, financial position, earnings and results. To manage its interest rate exposure, the Group have entered into some interest derivative contracts and may in the future enter into further interest derivative contracts. However, it is possible that (if used) any such current or future hedging will not afford the Group sufficient protection against adverse effects of interest rate movements. Moreover, the success of any hedging activities is highly dependent on the accuracy of the Group's assumptions and forecasts. All erroneous estimations that affect such assumptions and forecasts could have a negative effect on the Group's operations, financial position, earnings and results.

Currency risk

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

Insurance

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

Tax related risks

The Group conducts its business in accordance with its own interpretation of applicable tax regulations and applicable requirements and decisions. There is a risk that the Group's or its advisers' interpretation and the Group's application of laws, provisions, judicial practice has not been, or will in the future not be, correct or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, the Group's tax liabilities can increase, which would have a negative effect on the Group's results and financial position. Revisions to tax regulations could for example comprise denied interest deductions, additional taxes on the direct or indirect sale of property and/or tax losses carried forward being forfeited, which could affect the Group's results and financial position in the future.

Ability to comply with the Terms and Conditions for the Bonds

The Issuer is required to comply with the Terms and Conditions for the Bonds. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Issuer's ability to comply with, among other things, the undertakings set out in the Terms and Conditions for the Bonds. A breach of the Terms and Conditions for the Bonds could result in a default under the Terms and Conditions for the Bonds, which would have a negative effect on the Group's operations, results and financial position.

Ability to service debt

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

Credit risk

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

Issuer's dependence on other companies in the Group

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

Majority owner

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

Changes in legislation

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

Legal disputes

Claims or legal action may in the future be taken against the Group which would have significant unfavourable effects on the Group's financial position, operations, earnings, results, performance, and market position or pricing of the Bonds.

Risks relating to the Bonds

Credit risks

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

Refinancing risk

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

Interest rate risks

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

Liquidity risks

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

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

The market price of the Bonds may be volatile

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

could adversely affect the market price of the Bonds without regard to the Group's operating results, financial condition or prospects.

Risks relating to security and enforcement of security

Risks relating to the transaction security

Although the obligations under the Bonds will be secured by first priority pledges over the shares in certain Group companies as well as security over an intragroup loan from the Issuer to Jefast AB, it is not certain that the proceeds of any enforcement of the relevant security would be sufficient to satisfy all amounts then owed to the bondholders.

According to the Terms and Conditions, the Issuer may issue subsequent Bonds and the holders of such Bonds will become bondholders entitled to share the security that have been granted to the existing bondholders. There is a risk that the issue of subsequent Bonds will have an adverse effect on the value of the security that have been granted to the bondholders.

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

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

Risks relating to enforcement of the transaction security

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

The value of the intra-group loan granted by the Issuer to Jefast AB, which is subject to security in favour of the bondholders, is largely dependent on Jefast AB's ability to repay its loan. Should Jefast AB be unable to repay its debt obligations upon an enforcement of a pledge over the intra-group loan, the bondholders may not recover the full or any value of the security granted over the intra-group loan.

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

Structural subordination and insolvency of subsidiaries

All assets are owned by, and all revenues are generated in, the subsidiaries of the Issuer. The subsidiaries are legally distinct from the Issuer and have no obligation to make payments to the

Issuer of any profits generated from their business. The ability of the subsidiaries to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers). Further, some of the members of the Group have entered into financing arrangements limiting such companies' abilities to pay dividends and other distributions, as further described below

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

Restrictions on dividends and value transfers from certain Group companies

Three of the Group companies, Jefast Långaröd AB, Jefast i Höganäs AB and Höganästriangeln HB (each a "**Borrower**", together the "**Borrowers**"), have entered into a credit agreement with SBAB which contains a provision restricting dividends and value transfers in accordance with the Swedish companies act from the Borrowers and its subsidiaries. The restriction applies as long as the interest coverage ratio (i.e. operating profit (including customary adjustments) in relation to finance charges) of a specific Borrower is less than 1.50. The three Borrowers together represent approximately 20 per cent of the Group's total cash flow. If the interest coverage ratio of a Borrower would fall below the 1.50 threshold the Issuer will not be able to receive funds by way of dividends or value transfer from such Borrower. This could affect the Issuer's ability to service its payment obligations under the Bonds, which would have a material adverse effect on the Issuer's business, financial position, earnings and result.

Further, one Group Company, Jefast Borrower AB ("**Jefast Borrower**"), has entered into a credit agreement with Brunswick Real Estate Capital I, FCP-SIF, which contains provisions restricting dividends and value transfers from Jefast Borrower. The restriction applies if a default or a cash trap event is continuing under the agreement. A cash trap event occurs if certain financial covenants are breached, including if the net operating income (i.e. the rental income from certain properties received during a specific period) to debt service (i.e. repayments, prepayments and financial expenses for a specific period) is less than 1.7:1. Jefast Borrower and its subsidiaries represent approximately 25 per cent of the Group's total cash flow. If a cash trap event or a default occurs under the Brunswick credit agreement the Issuer will not be able to receive funds by way of dividends or value transfer from Jefast Borrower. This could affect the Issuer's ability to service its payment obligations under the Bonds, which would have a material adverse effect on the Issuer's business, financial position, earnings and result.

Security over assets granted to third parties

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

Corporate benefit limitations in providing security for third parties

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

Risks related to early redemption

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

No action against the Issuer and bondholders' representation

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

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

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

Bondholders' meetings

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

Restrictions on the transferability of the Bonds

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

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

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

Amended or new legislation

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

THE BONDS IN BRIEF

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

Issuer	Jefast Holding AB (publ), Swedish Reg. No. 556721-2526.
The aggregate amount of the Bonds	The aggregate amount of the bond loan will be an amount of up to a maximum of SEK 500,000,000 of senior secured floating rate bonds due 2019. The Issuer may choose not to issue the full amount of Bonds on an issue date and may choose to issue the remaining amount of Bonds at one or more subsequent dates. At the date of this Prospectus, an initial mount of Bonds of SEK 200,000,000 was issued on 24 November 2015.
Number of Bonds	200.
ISIN	SE0007186085.
Issue Date	24 November 2015.
Issue Price	100 per cent of the Nominal Amount.
Interest Rates	Interest on the Bonds will be paid at a floating rate of three-month STIBOR (zero-floor) plus 6.50 per cent. per annum.
Interest Payment Dates	10 January, 10 April, 10 July and 10 October of each year commencing on 10 January 2016. Interest will accrue from (but excluding) the Issue Date.
Nominal Amount	The Bonds will have a nominal amount of SEK 1,000,000 and the minimum permissible investment in the Bonds is SEK 1,000,000.
Status of the Bonds	The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer, and:

- shall at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except those obligations which are

mandatorily preferred by law;

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

Security The Bonds are secured by security interests granted on an equal and rateable first-priority basis over (i) the share capital of certain Group Companies, (ii) the Initial Bond Proceeds Loan and (iii) any Future Bond Proceeds Loan. See the definition of "**Security Documents**" in Clause 1.1 (*Definitions*) of the Terms and Conditions.

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

Call Option Amount Call Option Amount means:

- (a) 100.00 per cent. of the Nominal Amount plus the Applicable Premium, if the Call Option is exercised anytime before the First Call Date;
- (b) 103.00 per cent. of the Nominal Amount, if the Call Option is exercised on or after the First Call Date to, but not including, the date falling 30 months after the First Issue Date;
- (c) 101.50 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling 30 months after the First Issue Date to, but not including, the date falling 34 months after the First Issue Date; and
- (d) 100.00 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling 34 months after the First Issue Date to, but not including, the Final Maturity Date.

Applicable Premium..... means the sum of:

- (a) the present value on the relevant record date of 3.00 per cent. of the Nominal Amount as if such payment originally

should have taken place on the First Call Date; plus

- (b) the present value on the relevant record date of all remaining scheduled Interest payments (less any accrued but unpaid interest) on the Bond until the First Call Date,

both calculated by using a discount rate of 50 basis points over the comparable Swedish Government Bond Rate (i.e. comparable to the remaining duration of the Bonds until the First Call Date) (plus accrued interest on redeemed amount) and where “relevant record date” shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

First Call Date Means 24 November 2017.

Final Maturity Date Means 24 January 2019.

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

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

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

Mandatory Repurchase due to a Change of Control Event means each Bondholders right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) Business Days following a notice from the Issuer of a Change of Control Event pursuant to Clause 12.1(b) in the Terms and Conditions (after which time period such right shall lapse).

Certain Covenants..... The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, *inter alia*:

- restrictions on making any changes to the nature of their business;
- a negative pledge, restricting the granting of

security on Financial Indebtedness (as defined in the Terms and Conditions);

- restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions);
- limitations on the making of distributions and disposal of assets; and
- limitations on the use of the proceeds from a divestment of the Pelican Grand.

The Terms and Conditions contain incurrence covenants which govern the ability of the Issuer and the other Group Companies to incur additional debt.

The Terms and Conditions contain a maintenance test according to which the Issuer shall ensure that the LTV Ratio, in respect of any Relevant Period following and including the Relevant Period ending on 31 March 2016, at all times does not exceed 80 per cent., calculated in accordance with the calculation principles set out in Clause 13.4 (*Calculation Adjustments*), on a consolidated basis and based on the most recently delivered Financial Report and Valuations.

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

Use of Proceeds	The Net Proceeds from the issuance of the Bonds (the Initial Bonds and all Subsequent Bonds) shall be applied towards on-lending to Jefast AB by way of the Bond Proceeds Loan for the purpose of financing general corporate purposes of the Group and future acquisitions and investments.
Transfer Restrictions	Subject to certain transfer restrictions set out in Clause 5 in the Terms and Conditions, the Bonds are freely transferable. The Bonds have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Bonds are subject to restrictions on transfer and may only be offered or sold in transactions that are exempt from the registration requirements of the U.S. Securities Act. For further restrictions, please see Clause 5 (<i>Transfer Restrictions</i>) of the Terms and Conditions.
Listing.....	Application has been made to list the Bonds on Nasdaq Stockholm.

Agent	Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879.
Issuing Agent	Danske Bank A/S, Danmark, Sverige Filial, Swedish Reg. No. 516401-9811.
Governing Law of the Bonds.	Swedish law.
Risk Factors	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 9 November 2015, and was subsequently issued by the Issuer on 24 November 2015. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council and Chapter 2 of the Trading Act.

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

14 November 2016

Jefast Holding AB (publ)

The board of directors

DESCRIPTION OF MATERIAL AGREEMENTS

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

DESCRIPTION OF THE GROUP

History and development

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

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

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

Business and operations

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

Business model and market overview

The property portfolio consists of 39 properties with a market value of SEK 2,309,430,000. Jefast Group's Swedish organization consisted of 14 people by year-end. The organization is responsible for the financial and technical management and Jefast Byggservice AB works with both internal and external services.

The Group's target properties are located in Höganäs, Helsingborg, Åstorp or the close surroundings. The Group strives to increase the proportion of residential properties but commercial properties are purchased selectively to ensure healthy cash flow, a long-term goal of the Group is that it shall be composed of 70 per cent residential and 30 per cent commercial real estate. The target is to have an average total yield of 6-7%. Long term goals include expanding the real estate portfolio to a value of approximately SEK 3,000,000,000 by the end of 2020 (just by finalising Holland 25 the value would increase to approximately SEK 2,800,000,000) Jefast owns 35 properties in Sweden, all located in Höganäs, Helsingborg and Åstorp. In Höganäs, Jefast is the largest private property owner with 432 apartments and 23 878 sq. m. of commercial space. The portfolio in Helsingborg is more focused on commercial properties with 42 674 sq. m. commercial space and 128 apartments, all located in the central part of the city. Economic vacancy rate was 7,6%, 1% vacancy for apartments and 10,1% for commercial, in the Swedish portfolio as per 30 June 2016. The ten largest tenants generate approximately 14,7 per cent of total rental income in Sweden.

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

Hotel in Fort Lauderdale,

The Group owns a hotel in the USA called the Pelican Grand Beach Resort. The hotel is located in Fort Lauderdale, Florida, around 37 km north of Miami on the Atlantic coast. The hotel is a condominium hotel that has 156 rooms of which 131 are owned by the Group. The Group acquired several condos during 2015 and the long-term goal is to acquire all condos. Operations of the hotel are managed by Nobel House and Nobel House currently has around 180 employees working at the hotel whose salaries are paid by the Group.

Holland 25

The Group is currently remodelling the former shopping center, Holland 25, into a new commercial center in the city of Helsingborg. Skanska has been contracted and the construction work started in January 2016. The existing shopping center was vacated in order to start the renovation and construction of the new commercial center with additional area and a new 18-story residential building on top of the building's northeast corner. The Issuer works with property investments in order to maximize rental income and minimize operating costs.

For the second quarter of 2016 the economic occupancy rate was 85 per cent. The Issuer uses TAM Retail to develop the market place and to find the final tenants, currently with several ongoing discussion with potential tenants for the remaining spaces. Contracts have been signed with several tenants including SF Bio Filmstaden, Hemköp and New York Legends sports bar. Building permits have been obtained and planning of framework documents that form the basis for the construction has been developed. Holland 25 is expected to be ready to open in late 2017. It is expected that the zoning plan for the residential building will take legal effect in the end of summer of 2016. It is estimated that the Group will invest approximately SEK 100,000,000 in Holland 25 during 2016 and SEK 240,000,000 in 2017-2018 to finalize the property developments. As a result of the Holland 25 project revenues have fallen sharply since the mall is largely vacant. In connection with the project there have also been exit costs, and the Group has had ongoing running costs.

Share capital and ownership structure

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

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

<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital</i>	<i>Voting Rights</i>
Bo Jertshagen	4625	92,5 %	92,5 %
Bo Jertshagen (via Induere AB, reg. no. 556767-3941)	375	7,5 %	7,5 %
Total	5000	100.00 %	100.00 %

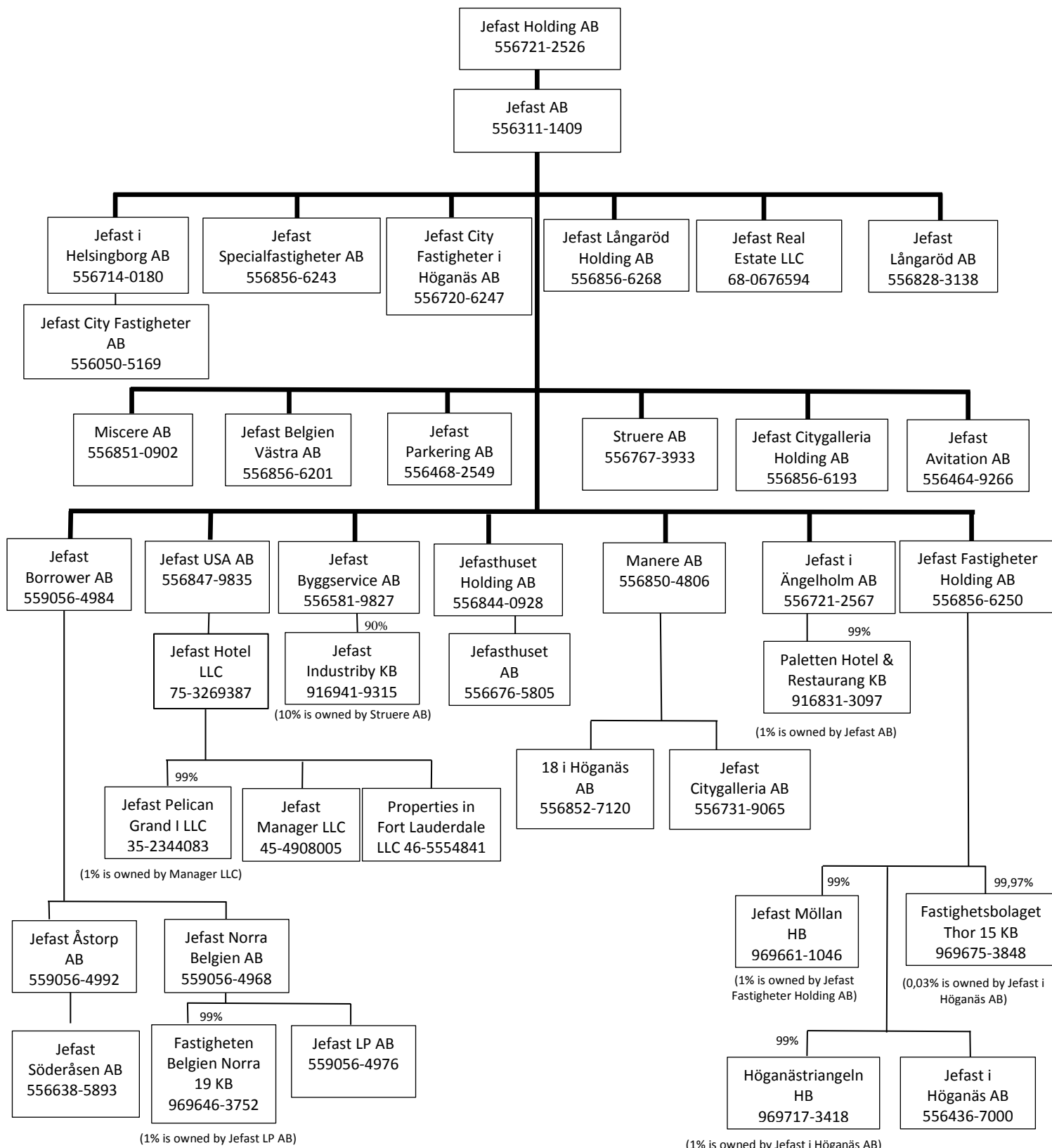
Major shareholder: 100 per cent directly and indirectly.

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

Overview of Group structure

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

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



Recent events

Acquisitions

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

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

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

Projects

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

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

The Group is continuing its large remodelling of Holland 25 and has signed with Skanska as the project manager. Phase one and two are scheduling to be finished late 2017 including the commercial spaces and the movie theatre, the third phase including the 18 story apartment building is scheduled to be finalised in 2018.

Other events

In the beginning of 2016 the Groups CFO resigned and a new CFO has now been recruited starting August 15 2016. The Groups new CFO, Maria Jonasson, has recently worked six years at Höganäs AB with reporting, specialised in IFRS, and has also worked for Ernst and Young for nine years prior to her current position.

In the second quarter of 2016 the general manager of the hotel in USA was let go. In the meantime, an interim general manager has been in effect and the recruiting process for a new general manager is finalising. This position is scheduled to be filled in September.

Significant change and trend information

There has been no material adverse change in the prospects of the Group since its last audited annual accounts was published on 29 April 2016 and no significant change in the financial or trading position of the Group since 26 August 2016 when the semi-annual accounts was published.

Legal and arbitration proceedings

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

Credit rating

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

MANAGEMENT

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

Board of directors

Bo Jertshagen, chairman of the board since 2007.

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

Cassandra Jertshagen, member of the board since 2014.

Education: Master of Economics, University of Copenhagen.

Current commitments: Cassandra mainly works with the hotel in USA as well as development of Holland 25 in Helsingborg. Cassandra is a board member of Jefast Holding AB.

Martin Persson, member of the board since 2014.

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

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

Management

Martin Persson, CEO of the Group

Maria Jonasson, CFO of the Group since 2016

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

Current commitments: CFO of the group with reporting responsibilities.

Conflicts of interest within administrative, management and control bodies

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

Interest of natural and legal persons involved in the issue

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

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

HISTORICAL FINANCIAL INFORMATION

Historical financial information

The Group's consolidated financial statements for the financial year ended 31 December 2015 and the figures for the financial year ended 31 December 2014 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2015 and 31 December 2014 has been prepared in accordance with the Swedish Generally Accepted Accounting Principles ("**Swedish GAAP**"). Further, for the purpose of this Prospectus and the subsequent listing of the Bonds, the Group's consolidated financial statements for the financial year ended 31 December 2015 have also been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU ("**2015 IFRS Statements**").

Other than the auditing of the Group's consolidated financial statements for the financial year ended 31 December 2015, and for the financial year ended 31 December 2014 and the 2015 IFRS Statements, the Group's auditor has not audited or reviewed any part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2015 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

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

The Group's consolidated financial statements for the financial year ended 31 December 2014 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 5;
- consolidated balance sheet, page 6;
- consolidated cash flow statement, page 9;
- the notes, page 18;
- consolidated statement of changes in equity, page 26; and
- the audit report, page 31.

The 2015 IFRS Statements is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 3;
- consolidated balance sheet, page 5;
- consolidated cash flow statement, page 8;
- consolidated statement of changes in equity, page 7;
- the notes, page 48; and
- the audit report, page 55.

Factors affecting comparability of the historical financial information

The financial information for the financial year ended 31 December 2015 and 31 December 2014 was prepared in accordance with Swedish GAAP. The Group has since then changed its accounting principles to IFRS and the consolidated financial statements for the financial year ended 31 December 2015 have therefore also been prepared in accordance with IFRS. For comparability between the Issuer's financial periods, please review the relevant financial information set out in the Issuer's 2014 financial statements prepared in accordance with Swedish GAAP compared with the corresponding financial information for the Issuer's 2015 financial statements prepared in accordance with Swedish GAAP. The Issuer's 2015 financial statements may the subsequently be compared with the 2015 IFRS Statements in order to obtain (i) a comparison between the Issuer's 2015 financial statements prepared in accordance with Swedish GAAP and the 2015 IFRS Statements, and consequently (ii) an indirect comparison between the Issuer's 2014 financial statements prepared in accordance with Swedish GAAP and the 2015 IFRS Statements.

Auditing of the annual historical financial information

The Issuer's consolidated financial statements as at present and for the years 2014 to 2015 and the 2015 IFRS Statements have been audited, as applicable, by EY, Nytorpgatan 14, 262 31 Ängelholm. EY has been the Issuer's auditor since 2013, and was re-elected for an additional year on the latest annual general meeting. Henrik Nilsson is the auditor who is responsible for the Issuer. Henrik Nilsson is an authorized auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

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

Age of the most recent financial information

The most recent financial information has been taken from the consolidated financial statements for the financial year ended 31 December 2015, which was published on 29 April 2016 on the Issuer's website www.jefast.se.

OTHER INFORMATION

Assurance regarding the Prospectus

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

Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an initial amount of SEK 200,000,000 on 24 November 2015 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of SEK 500,000,000. Each Bond has a nominal amount of SEK 1,000,000. The ISIN for the Bonds is SE0007186085.

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

Material contracts

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

Representation of the Bondholders

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

Documents incorporated by reference

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

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2014;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2015; and
- the 2015 IFRS Statements.

Documents available for inspection

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

- the Issuer's articles of association;
- the Issuer's certificate of registration;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2015 and for the financial year ended 31 December 2014;
- the 2015 IFRS Statements;
- the financial statements and audit reports for the financial year ended 31 December 2015 and for the financial year ended 31 December 2014 for each company within the Group (to the extent such Group companies were incorporated during 2015 or 2014 and have issued financial statements and audit reports for such financial years); and
- this Prospectus.

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

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2015 and for the financial year ended 31 December 2014;
- the 2015 IFRS Statements; and
- this Prospectus.

Listing costs

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 400,000.

TERMS AND CONDITIONS OF THE BONDS

1. Definitions and Construction

1.1 Definitions

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

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

"Accounting Principles" means (i) until conversion to IFRS, the generally accepted accounting principles, standards and practices in Sweden and (ii) following conversion, international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

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

"Advance Purchase Agreements" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than 90 days after the date of supply, or (b) any other trade credit incurred in the ordinary course of business.

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

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

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

"Ambolt Amendments" means the contemplated amendments to the Ambolt Loan Agreement whereby such loan agreement is amended so that *inter alia* paragraph (a) of Clause 16.6 (*Dividends*) of the loan agreement is excluded in its entirety or amended so that there are no restrictions on value transfers (Sw. *värdeöverföringar*) (including profit/dividends) from Jefast USA AB to Jefast AB.

"Ambolt Downstream Loans" means the downstream loans in an aggregate amount of SEK 49,005,376 already made or to be made by Jefast USA AB to Jefast Hotel LLC in accordance with the Ambolt Loan Agreement.

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

"Applicable Premium" means the sum of:

- (a) the present value on the relevant record date of 3.00 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; plus
- (b) the present value on the relevant record date of all remaining scheduled Interest payments (less any accrued but unpaid interest) on the Bond until the First Call Date,

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

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

"Bondholders' Meeting" means a meeting among the Bondholders held in accordance with Clause 18 (*Bondholders' Meeting*).

"Bond Proceeds Loan" mean the Initial Bond Proceeds Loan and the Future Bond Proceeds Loan.

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

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

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

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

"Call Option Amount" means:

- (a) 100.00 per cent. of the Nominal Amount plus the Applicable Premium, if the Call Option is exercised anytime before the First Call Date;
- (b) 103.00 per cent. of the Nominal Amount, if the Call Option is exercised on or after the First Call Date to, but not including, the date falling 30 months after the First Issue Date;

- (c) 101.50 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling 30 months after the First Issue Date to, but not including, the date falling 34 months after the First Issue Date; and
- (d) 100.00 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling 34 months after the First Issue Date to, but not including, the Final Maturity Date.

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

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

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

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

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

"Compliance Certificate" means a certificate, in form and substance satisfactory to the Agent, signed by the Issuer certifying (i) the satisfaction of the Maintenance Test, the LTV Incurrence Test or the Incurrence Test (as applicable) (including figures in respect of the relevant financial covenant(s) and the basis on which they/it has/have been calculated), and (ii) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it.

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

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

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

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

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

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

"Event of Default" means an event or circumstance specified in any of the Clauses 15.1 (*Non-Payment*) to and including Clause 15.9 (*Continuation of the Business*).

"Final Maturity Date" means 24 January 2019.

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

"Financial Indebtedness" means any indebtedness in respect of:

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

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

"Financial Report" means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available in accordance with Clause 12.1 (*Information from the Issuer*).

"First Call Date" means 24 November 2017.

"First Issue Date" means 24 November 2015.

"Floating Rate Margin" means 6.50 per cent.

"Future Bond Proceeds Loan" means any loan provided by the Issuer to Jefast AB in connection with the issuance of Subsequent Bonds in an amount equivalent to the Net Proceeds from the issuance of such Subsequent Bonds.

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

"Incurrence Test" means the test of the financial incurrence covenants as set out in Clause 13.2 (*Incurrence Test*).

"Initial Bond Proceeds Loan" means the loan provided by the Issuer to Jefast AB in connection with the issuance of the Initial Bonds in an amount equivalent to the Net Proceeds from the Initial Bonds.

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

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

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

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

"Interest Payment Date" means 10 January, 10 April, 10 July and 10 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 10 January 2016 and the last Interest Payment Date shall be the relevant Redemption Date.

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

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

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

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

"Issuing Agent" means Danske Bank A/S, Danmark, Sverige Filial, Swedish Reg. No. 516401-9811, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

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

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

"LTV Incurrence Test" means the test as set out in Clause 13.2(b) and Clause 13.2(c).

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

"Maintenance Test" means the test of the financial maintenance covenants as set out in Clause 13.1 (*Maintenance Test*).

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

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

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

"Net Disposal Proceeds" means the proceeds received in cash from a disposal of the Pelican Grand less any costs relating to such disposal (including, but not limited to, repayment of any financing relating to the Pelican Grand), any fees and any tax relating to such disposal.

"Net Disposal Proceeds Account" means a bank account of the Issuer held with a reputable bank, into which the Net Disposal Proceeds will be transferred in accordance with item (b)(ii) of Clause 14.7 (*Divestment of the Pelican Grand*) and which will be pledged in favour of the Agent and the Bondholders (represented by the Agent).

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

"Net Interest Bearing Debt" means the aggregate interest bearing debt (including also debt instruments with payment in kind interest) less Cash and Cash Equivalent Investments of the Group in accordance with the applicable Accounting Principles of the Group from time to time (for the avoidance of doubt, excluding loans between members of the Group).

"Net Proceeds" means the proceeds from the issuance of the Bonds which after deduction has been made for the Transaction Costs, including fees, payable by the Issuer to Danske Bank A/S, Danmark, Sverige Filial as bookrunner for the services provided in relation to the placement and issuance of the Bonds.

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

"Pelican Grand" means all of the Group's operations, assets and business relating to the Pelican Grand Beach Resort located at 2000 N. Ocean Blvd. Fort Lauderdale, Florida US.

"Permitted Debt" means any Financial Indebtedness:

- (a) incurred under the Bonds, other than Subsequent Bonds;
- (b) taken up from a Group Company, provided that other than the Ambolt Downstream Loans no Financial Indebtedness may be taken up by a U.S. Group Company from a Swedish Group Company and vice versa;
- (c) incurred in the ordinary course of business under Advance Purchase Agreements;
- (d) incurred as a result of any Group Company (other than the Issuer) acquiring another entity and which is due to that such acquired entity holds indebtedness, provided that the LTV Incurrence Test is met, tested *pro forma* including the acquired entity in question;
- (e) incurred by the Issuer if such Financial Indebtedness meets the LTV Incurrence Test tested *pro forma* including such incurrence, and (i) is incurred as a result of a Subsequent Bond Issue by the Issuer under the Terms and Conditions, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents, and has a final maturity date or a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date;
- (f) any Financial Indebtedness provided by a third party finance provider and incurred by a Group Company (other than the Issuer) either existing on the date hereof or incurred in the future and, in each case for the purpose of financing investments in Properties and real property transactions normal for the business carried on by the Group, provided that the LTV Incurrence Test is met (for which purpose the LTV Incurrence Test shall be tested *pro forma* including such incurrence);
- (g) under hedging transactions in the ordinary course of business or in respect of payments to be made under these Terms and Conditions or any debt permitted under paragraph (f) above, but not for investment or speculative purposes; and
- (h) incurred by any Group Company (other than the Issuer) for the purpose of financing investments in the Söderpunkten Project, provided that the aggregate amount of Financial Indebtedness permitted to be outstanding under this paragraph (h) shall not at any time exceed SEK 100,000,000.

"Permitted Security" means any guarantee or Security:

- (a) created in accordance with these Terms and Conditions;
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) provided by any entity that has been acquired pursuant to item (d) of the definition of "Permitted Debt"; and

- (d) provided by the Group for any Financial Indebtedness permitted under paragraphs (f), (g) and (h) in the definition of "Permitted Debt".

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

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

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

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

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

"Record Date" means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 16 (*Distribution of Proceeds*), (iv) the date of a Bondholders' Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

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

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

"Reinvestment Period" shall have the meaning as set out in Clause 14.7 (*Divestment of the Pelican Grand*).

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

"Secured Creditors" means the Bondholders and the Agent.

"Secured Obligations" means all present and future obligations and liabilities of the Issuer to the Secured Creditors under the Finance Documents.

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

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

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

"Security Documents" means:

- (a) the share pledge agreement, dated on or about First Issue Date, between the Issuer and the Agent with respect to the shares in Jefast AB;
- (b) the share pledge agreement, dated on or about First Issue Date, between Jefast AB and the Agent with respect to the shares in;
 - (i) Jefast i Helsingborg AB;
 - (ii) Jefast Specialfastigheter AB;
 - (iii) Jefast Långaröd Holding AB;
 - (iv) Jefast Långaröd AB;
 - (v) Miscere AB;
 - (vi) Jefast Belgien Västra AB;
 - (vii) Jefast Parkering AB;
 - (viii) Jefast Byggservice AB;
 - (ix) Struere AB;
 - (x) Jefast Citygalleria Holding AB;
 - (xi) Jefast Fastigheter Holding AB;
 - (xii) Manere AB;
 - (xiii) Jefast i Ängelholm AB;
 - (xiv) Jefasthuset Holding AB;
 - (xv) Jefast USA AB;
- (c) the intercompany loan pledge agreement dated on or about the First Issue Date between the Issuer and the Agent with respect to the Initial Bond Proceeds Loan and any Future Bond Proceeds Loan; and

- (d) any other security document that may be required to be entered into by any Group Company pursuant to these Terms and Conditions or any other Finance Document.

"STIBOR" means:

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

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

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

"Subsidiary" means a subsidiary of the Issuer according to Chapter 1 Section 11 of the Swedish Companies Act (or under such provision as may replace this provision).

"Swedish Government Bond Rate" means:

- (a) the interpolated SGB rate between the SGB 12 August 2017 (series 1051) and the SGB 12 March 2019 (series 1052) (mid rates), as determined by the Issuing Agent on or about 11.00 am on the date of the notification of redemption; or
- (b) if no quotation is available pursuant to paragraph (a), the SGB rate which the Issuing Agent deems appropriate for the purpose of the calculation set out in this definition (acting reasonably); and

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

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

"Söderpunkten Project" means the Group's project in respect of the urban shopping and entertainment centre located at the real property Helsingborg Holland 25, including *inter alia* reconstruction and development of the existing building on the real property for shopping, entertainment and housing purposes.

"Total Assets" means, in respect of the Group, the book value of the total consolidated assets as shown in the most recent annual consolidated financial statements of the Group.

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

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

"Transaction Security" means the Security provided for the Secured Obligations pursuant to the Security Documents.

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

"Valuation" means a valuation report in relation to a Property specifying the Value of the Property, delivered in accordance with Clause 14.14 (*Valuations of the Properties*).

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

"Written Procedure" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 19 (*Written Procedure*).

(xvi)

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
 - (i) **"assets"** includes present and future real properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a **"regulation"** includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (iv) a provision of law is a reference to that provision as amended or re-enacted; and
 - (v) a time of day is a reference to Stockholm time.
- (b) An Event of Default is continuing if it has not been remedied or waived.
- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

- (d) When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (Riksbanken) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.
- (e) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. Status of the Bonds

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

3. Use of Proceeds

The Net Proceeds from the issuance of the Bonds (the Initial Bonds and all Subsequent Bonds) shall be applied towards on-lending to Jefast AB by way of the Bond Proceeds Loan for the purpose of financing general corporate purposes of the Group and future acquisitions and investments.

4. Conditions Precedent

- (a) The payment of the Net Proceeds to the Proceeds Account is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, to the Agent, in form and substance satisfactory to the Agent (acting reasonably):
 - (i) copies of constitutional documents of the Issuer;
 - (ii) copies of necessary corporate resolutions (including authorisations) from each Group Company to execute the relevant Finance Documents to the extent that Group Company is a party to a relevant Finance Document;
 - (iii) confirmation from the Issuing Agent that the Issuer has issued a completeness certificate and a statement of responsibility;
 - (iv) evidence that the amounts to be released from the Proceeds Account shall be applied towards payments in accordance with Clause 3 (*Use of Proceeds*);
 - (v) Valuations for all Properties other than the Danish Property located at 2 f Ålsgårde Hellebaek, Denmark and the two American Properties located at Coral Ridge Galt Add 27-46 B Lot 13 BLK 30, Fort Lauderdale Florida United States of America and Coral Ridge Galt Add 27-46 B Lot 12 BLK 30 Fort Lauderdale Florida United States of America;
 - (vi) duly executed copies of the Finance Documents and evidence of duly perfected security interests; and
 - (vii) evidence that all documentation relating to the Ambolt Amentments have been entered into and that such amendments have come in into full force and effect.
- (c) When the conditions precedent for disbursement set out in Clause 4(b) have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account for the purpose of payments in accordance with Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account.
- (d) If the conditions precedent for disbursement set out in Clause 4(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within thirty (30) Business Days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Nominal Amount together with any

accrued Interest. Any funds distributed by the Agent to the Bondholders in accordance with Clause 3(b)(ii) of the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4(d). The repurchase date shall fall no later than thirty (30) Business Days after the ending of the thirty (30) Business Days period referred to above.

5. Transfer Restrictions

- (a) No Bondholder may offer, sell, pledge or otherwise transfer any Bond except:
 - (i) to the Issuer;
 - (ii) to a person who the seller reasonably believes is a QIB within the meaning of Rule 144A under the Securities Act purchasing for its own account or for the account or benefit of a QIB in a transaction meeting the requirements of Rule 144A;
 - (iii) outside the United States in compliance with Rule 903 or Rule 904, as applicable, of Regulation S under the Securities Act;
 - (iv) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available);
 - (v) pursuant to any other available exemption from registration under the Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act; or
 - (vi) pursuant to an effective registration statement under the Securities Act,

provided however that in each case a transfer is made in accordance with all applicable securities laws of the states of the United States and any other jurisdiction.
- (b) The Bonds may not, subject to applicable Canadian laws, be traded in Canada for a period of more than four (4) months and a day from the date the Bonds were originally issued.
- (c) The Issuer makes no representation as to the availability of an exemption from registration provided by Rule 144 of the Securities Act.

6. Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting under Clause 18 (*Bondholders' Meeting*) or any direct communication to the Bondholders under Clause 19 (*Written Procedure*), the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

7. Right to Act on Behalf of a Bondholder

- (a) If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.
- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 7(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

8. Payments in Respect of the Bonds

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

- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9(c) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a person not entitled to receive such amount.

9. Interest

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

10. Redemption and Repurchase of the Bonds

10.1 Redemption at maturity

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

10.2 Issuer's purchase of Bonds

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

10.3 Voluntary Total Redemption

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

10.4 Mandatory Repurchase due to a Change of Control Event

- (a) Upon a Change of Control Event occurring, each Bondholder shall have the right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 12.1(b) (after which time period such right shall lapse).
- (b) The notice from the Issuer pursuant to Clause 12.1(b) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 12.1(b). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 10.4(a).

10.5 Mandatory Redemption due to a Disposal of the Pelican Grand

A repayment in accordance with item (b)(i) of Clause 14.7 (*Divestment of the Pelican Grand*) shall be made within 30 days following the end of the Reinvestment Period. The Issuer shall within such period repay the Total Nominal Amount with an amount equal to one hundred (100) per cent of the Net Disposal Proceeds (the "**Redemption Amount**") plus a premium of:

- (a) 3.00 per cent. of the Redemption Amount, if repayment is made prior to the First Call Date; or
- (b) the relevant redemption premium applicable to the relevant period for the repayment of the Redemption Amount as set out in the definition of Call Option Amount, if repayment is made after the First Call Date.

together with accrued but unpaid interest on the repaid amount.

10.6 General

- (a) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the

provisions of such laws and regulations conflict with the provisions in this Clause 10, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10 by virtue of the conflict.

- (b) Any Bonds repurchased by the Issuer pursuant to this Clause 10 may at the Issuer's discretion be retained, sold or cancelled.

11. Transaction Security

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grant the Transaction Security to the Secured Creditors as represented by the Agent on the terms set out in the Security Documents.
- (b) The Agent shall hold the Transaction Security on behalf of the Secured Creditors in accordance with the Security Documents. The Issuer and the relevant Subsidiaries shall enter into the Security Documents and perfect the Transaction Security in accordance with the Security Documents.
- (c) Unless and until the Agent has received instructions from the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*), the Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Creditors or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents, and provided that such agreements or actions are not detrimental to the interests of the Bondholders.

12. Information to Bondholders

12.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language to the Bondholders by publication on the website of the Issuer:
 - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
 - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
 - (iii) the year-end report (Sw. *bokslutskommuniké*) for such period; and

- (iv) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are listed.
- (b) The Issuer shall immediately notify the Agent when the Issuer is or becomes aware of the occurrence of a Change of Control Event or upon the occurrence of a divestment of the Pelican Grand.
- (c) The Issuer shall at the first date falling after the end of the Reinvestment Period;
 - (i) supply to the Agent information of all acquisitions and investments (if any) made pursuant to Clause 14.7 (*Divestment of the Pelican Grand*) during the Reinvestment Period;
 - (ii) if relevant, notify the Agent of any amounts of the Net Disposal Proceeds not applied towards acquisitions and investments during the Reinvestment Period and, hence, subject to repayment in accordance with Clause 10.5 (*Mandatory Redemption due to a Disposal of the Pelican Grand*); and
 - (iii) if relevant, notify the Agent of the amount of the Net Disposal Proceeds to be transferred to the Net Disposal Proceeds Account in accordance with item (b)(ii) of Clause 14.7 (*Divestment of the Pelican Grand*).
- (d) When the financial statements and other information are made available the Bondholders pursuant to paragraph (a) above, the Issuer shall send copies of such financial statements and other information to the Agent.
- (e) The Issuer shall:
 - (i) supply to the Agent, with each set of its financial statements, delivered pursuant to paragraph (a)(ii) above, for a period ending on a Reference Date, a Compliance Certificate setting out (in reasonable detail) computations as to compliance with the Maintenance Test as at the relevant Reference Date;
 - (ii) supply to the Agent;
 - (A) in connection with the incurrence of new Financial Indebtedness incurred pursuant to paragraph (d), (e) or (f) of the definition of "Permitted Debt" or the making of a Restricted Payment in accordance with item (b)(ii) of Clause 14.2 (*Distributions*), a Compliance Certificate which shall contain computations as to the LTV Incurrence Test or the Incurrence Test (as applicable); and
 - (B) within twenty (20) Business Days from the Agent's request a Compliance Certificate which shall contain computations as to the relevant test requested by the Agent, and
 - (iii) supply to the Agent together with its annual financial statements, delivered pursuant to paragraph (a)(i) above, Valuations for all Properties (if not already provided).
- (f) The first Compliance Certificate in relation to the Maintenance Test to be delivered by the Issuer in accordance with paragraph (e)(i) above shall be delivered by the

Issuer to the Agent for the period ending on the Reference Date falling 31 March 2016.

- (g) The Issuer shall immediately notify the Agent (with full particulars) when the Issuer is or becomes aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (h) The Issuer is only obliged to inform the Agent according to this Clause 12.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 12.1.
- (i) When and for as long as the Bonds are listed, the Issuer shall also make the information set out in paragraph 12.1(a) above available by way of press releases.

12.2 Information from the Agent

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

12.3 Publication of Finance Documents

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

13. Financial Testing

13.1 Maintenance Test

The Issuer shall ensure that the LTV Ratio, in respect of any Relevant Period following and including the Relevant Period ending on 31 March 2016, at all times does not exceed 80 per cent., calculated in accordance with the calculation principles set out in Clause 13.4 (*Calculation Adjustments*), on a consolidated basis and based on the most recently delivered Financial Report and Valuations.

13.2 Incurrence Test

The Incurrence Test is met if, at the relevant time;

- (a) the Interest Coverage Ratio is at least 1.50:1;
- (b) the LTV Ratio does not exceed 75 per cent; and
- (c) no Event of Default is continuing or would occur upon the incurrence,

calculated in accordance with the calculation principles set out in Clause 13.4 (*Calculation Adjustments*), on a consolidated basis and based on the most recently delivered Financial Report and Valuations.

13.3 Testing

- (a) The calculation of the LTV Ratio for the Maintenance Test shall be made for the Relevant Period ending on the relevant Reference Date.
- (b) The calculation of the LTV Incurrence Test or the Incurrence Test shall be made as per a testing date determined by the Issuer, falling no more than two months prior to the incurrence of the new Financial Indebtedness or the distribution of the Restricted Payment. The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt) or the distribution (as applicable). The Value shall be calculated based on the most recently delivered Valuations.
- (c) When the Interest Coverage Ratio is measured under the Incurrence Test the calculation of the Interest Coverage Ratio shall be made for the Relevant Period ending on the relevant Reference Date and calculated based on the most recently delivered Financial Report.

13.4 Calculation Adjustments

- (a) The figures for EBITDA and Net Finance Charges for the Relevant Period ending on the relevant Reference Date shall be used, but adjusted so that entities acquired or disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), pro forma, for the entire Relevant Period.
- (b) The figures for Net Interest Bearing Debt for the Relevant Period ending on the relevant Reference Date (including when necessary, Financial Reports published before the First Issue Date), shall be used, but adjusted so that Net Interest Bearing Debt for such period shall be:
 - (i) reduced by an amount equal to the Net Interest Bearing Debt directly attributable to any Financial Indebtedness of the Issuer or of any other Group Company repaid, repurchased or otherwise discharged with respect to the Issuer and the continuing Group Companies with the proceeds from disposals of entities referred to under the adjustment to EBITDA above (or, if the Financial Indebtedness is owed by a Group Company that is sold, the Net Interest Bearing Debt for such period directly attributable to the Financial

Indebtedness of such Group Company to the extent the Issuer and the continuing Group Companies are no longer liable for such Financial Indebtedness after such sale);

- (ii) increased on a *pro forma* basis by an amount equal to the Net Interest Bearing Debt directly attributable to (i) any Financial Indebtedness owed by acquired entities referred to under the adjustment to EBITDA above, and (ii) any Financial Indebtedness incurred to finance the acquisition of such entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant test period; and
- (iii) increased on a *pro forma* basis by an amount equal to the Net Interest Bearing Debt directly attributable to any Financial Indebtedness incurred under any Subsequent Bonds and/or Financial Indebtedness incurred under item (f) under "Permitted Debt", calculated as if such debt had been incurred at the beginning of the Relevant Period.

14. General Undertakings

14.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 14 for as long as any Bonds remain outstanding.

14.2 Distributions

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

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

- (b) Notwithstanding the above the Issuer may make:
 - (i) dividend distributions in a maximum aggregate amount per financial year of SEK 3,000,000, provided that no Event of Default is continuing or would result from such distribution; and
 - (ii) any additional Restricted Payments up to an annual aggregate maximum amount of SEK 12,000,000, provided that:
 - (A) the Incurrence Test is fulfilled (calculated on a *pro forma* basis including the relevant Restricted Payment); and
 - (B) the aggregate amount of all Restricted Payments per financial year of the Group does not exceed 50 per cent. of the Group's profit for the previous financial year.

14.3 Nature of Business

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such change is reasonably likely to have a Material Adverse Effect, however provided that a divestment of the Pelican Grand shall not be considered as a substantial change to the general nature of the business carried on by the Group.

14.4 Financial Indebtedness

The Issuer shall not, and shall procure that none of its Subsidiaries, incur any additional Financial Indebtedness, provided however that the Issuer and the Subsidiaries have a right to incur Financial Indebtedness that constitute Permitted Debt.

14.5 Dealings with Related Parties

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

14.6 Disposal of Assets

- (a) Subject to paragraph (b) below, the Issuer shall not, and shall procure that none of its Subsidiaries, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, however provided that no Swedish Group Company may make a disposal to a U.S. Group Company.
- (b) Notwithstanding paragraph (a) above, the Group may sell or otherwise dispose of;

- (i) in each calendar year;
 - (A) assets which, in aggregate during a calendar year, has a value less than seven point five (7.5) per cent. of the Total Assets (excluding all non-Swedish Properties/assets); and
 - (B) Group Companies (other than any Group Companies subject to the Security Documents) which, in aggregate during a calendar year, together with its Subsidiaries on a consolidated basis (i) contributes to less than five (5) per cent. of the EBITDA of the Group and/or (ii) has turnover representing less than five (5) per cent. of the consolidated turnover of the Group;
- (ii) the Danish Property located at 2 f Ålsgårde Hellebaek; or
- (iii) the Pelican Grand, provided that the Group complies with the provisions set out in Clause 14.7 (*Divestment of the Pelican Grand*) below.

to any person not being the Issuer or any of its wholly-owned Subsidiaries, provided that such transaction is carried out at arm's length terms.

14.7 Divestment of the Pelican Grand

- (a) Upon a divestment of the Pelican Grand the Issuer shall procure that the Net Disposal Proceeds from such divestment are applied towards:
 - (i) capital expenditure investments in the Group's Swedish Properties; or
 - (ii) acquisitions of new real properties from a person not being an Affiliate, provided that such new real properties are located in Sweden.
- (b) If the Net Disposal Proceeds have not been invested in accordance with paragraph (a) above within a period of twelve (12) months of the completion of the divestment of the Pelican Grand (the "**Reinvestment Period**") the Issuer shall:
 - (i) repay the Total Nominal Amount in accordance with Clause 10.5 (*Mandatory Redemption due to a Disposal of the Pelican Grand*); or
 - (ii) transfer an amount equivalent to the Net Disposal Proceeds reduced with any amount invested in accordance with paragraph (a) above to the Net Disposal Proceeds Account and within thirty (30) days from the end of the Reinvestment Period pledge the Net Disposal Proceeds Account and all funds standing on such account to the Bondholders represented by the Agent, on terms and conditions equivalent (with necessary adjustments) to the terms and conditions of the share pledge agreements entered into on or about the First Issue Date.
- (c) The Agent shall upon the Issuer's request release funds from the Net Disposal Proceeds Account to the Issuer, provided that (i) the Issuer presents evidence to the Agent that the funds will be used for the purpose set forth in paragraph (a) above, and (ii) the funds will be applied against investments in or acquisition of real properties directly or indirectly owned by companies which shares are pledged to the Agent and the Bondholders represented by the Agent.

14.8 Negative Pledge

- (a) Subject to paragraph (b) below, the Issuer shall not, and shall procure that none of its Subsidiaries, provide, prolong or renew any guarantee or security over any of its/their assets (present or future) to secure any Financial Indebtedness.
- (b) Notwithstanding paragraph (a) above the Issuer and its Subsidiaries may provide, prolong and renew any Permitted Security, however provided that no Swedish Group Company may provide any guarantee or security to secure Financial Indebtedness incurred by a U.S. Group Company other than security or guarantees provided to secure or guarantee Financial Indebtedness incurred by the U.S. Group Companies in a maximum aggregate amount of USD 42,000,000.

14.9 Loans Out

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

14.10 Listing of the Bonds

The Issuer shall ensure that the Bonds are listed at the corporate bond list on NASDAQ Stockholm, or if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, within twelve (12) months after the First Issue Date and shall take all measures required to ensure that the Bonds, once listed on NASDAQ Stockholm (or any other Regulated Market, as applicable), continue being listed on NASDAQ Stockholm (or any other Regulated Market, as applicable) for as long as any Bond is outstanding (however, subject to and taking into account the rules and regulations of NASDAQ Stockholm (or any other Regulated Market, as applicable) and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

14.11 Insurances

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

14.12 Environmental compliance and claims

- (a) The Issuer shall (and shall ensure that each member of the Group will):
 - (i) comply with all Environmental Laws, including in relation to human health and conditions on workplace;
 - (ii) obtain, maintain and ensure compliance with all requisite Environmental Permits; and
 - (iii) implement procedures to monitor compliance with and to prevent liability under any Environmental Law, in each case where failure to do so has or is reasonably likely to have a Material Adverse Effect.

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

14.13 Holding company

The Issuer shall not trade, carry on any business, own any assets or incur any liabilities other than:

- (a) the provision of management services to other Group Companies of a type customarily provided by a holding company to its Subsidiaries (including retaining employees for such purpose);
- (b) ownership of shares in Jefast AB, intra-Group debit and credit balances in bank accounts and debit and credit balances held in bank accounts, provided, however, that the Issuer may not be a party to any cash pool arrangements;
- (c) as permitted or required by the Finance Documents; and
- (d) incurring liability to pay tax.

14.14 Valuations of the Properties

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

15. Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 15 (other than Clause 15.10 (*Acceleration of the Bonds*)) is an Event of Default.

15.1 Non-Payment

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

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

15.2 Other Obligations

The Issuer or any other person (other than the Agent) does not comply with any provision under the Finance Documents, in any other way than as set out in Clause 15.1 (*Non-Payment*), provided that the Agent has requested the Issuer in writing to remedy such failure

and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

15.3 Cross-Acceleration

Any Financial Indebtedness of any Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 15.3 if the aggregate amount of Financial Indebtedness is less than SEK 5,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

15.4 Insolvency

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

15.5 Insolvency Proceedings

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

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

15.6 Mergers and Demergers

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

15.7 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 5,000,000 and is not discharged within thirty (30) days.

15.8 Impossibility or Illegality

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

15.9 Continuation of the Business

The Issuer or any other Group Company ceases to carry on its business or in the case of a merger or demerger as stipulated Clause 15.6 (*Mergers and Demergers*).

15.10 Acceleration of the Bonds

- (a) If an Event of Default has occurred and is continuing, the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, of the Bonds due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as, in the opinion of the Agent, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (c) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (d) In the event of an acceleration of the Bonds in accordance with this Clause 15, the Issuer shall redeem all Bonds with an amount equal to the redemption amount specified in Clause 10.3 (*Voluntary Total Redemption*), as applicable considering when the acceleration occurs.

16. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 15 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security shall be applied in the following order of priority, in accordance with the instructions of the Agent:
 - (i) *first*, in or towards payment pro rata of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in

accordance with Clause 21.2(e) or paid to the Agent, and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 17(c);

- (ii) *secondly*, in or towards payment pro rata of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (iii) *thirdly*, in or towards payment pro rata of any unpaid principal under the Bonds; and
- (iv) *fourthly*, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- (b) Funds that a Bondholder receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security shall constitute escrow funds (Sw. *redovisningsmedel*) and must be promptly turned over to the Agent to be applied in accordance with this Clause 16 as soon as reasonably practicable.

17. Decisions by Bondholders

- (a) Any decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 7 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:

- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
- (ii) on the Business Day specified in the communication pursuant to Clause 19(c), in respect of a Written Procedure,

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

- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19(c):

- (i) a change to the terms of any of Clauses 2(a), 2(f) and 2(g);
- (ii) a change to the terms for the distribution of proceeds set out in Clause 16 (*Distribution of Proceeds*);
- (iii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 17;
- (iv) a change to the definition "Interest Payment Date" or the definition "Interest Rate" set out in Clause 1.1 (*Definitions*);
- (v) a release of the Transaction Security, except in accordance with the terms of the Security Documents;
- (vi) an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
- (vii) a mandatory exchange of the Bonds for other securities;
- (viii) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 15 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.

- (f) Any matter not covered by Clause 17(e) shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 20(a)(i) or 20(a)(ii)) or the enforcement of any Transaction Security.

- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 18(a)) or initiate a second Written Procedure (in accordance with Clause 19(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 17(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All reasonable costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies, irrespective of whether such person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the

relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

18. Bondholders' Meeting

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 18(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 21.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 18(a).
- (c) The notice pursuant to Clause 18(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

19. Written Procedure

- (a) The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 19(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the

communication pursuant to Clause 19(a). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 17(e) and 17(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17(e) or 17(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

20. Amendments and Waivers

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*).
- (b) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 20(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 12.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- (c) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

21. Appointment and Replacement of the Agent

21.1 Appointment of Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf as set out in paragraph (a).

- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

21.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents, and, where relevant, in relation to instructions to the Agent to enforce the Transaction Security on behalf of the Bondholders.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent is entitled to delegate its duties to other professional parties, provided that such professional parties are selected with due care.
- (d) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (e) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all reasonable costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 16 (*Distribution of Proceeds*).
- (f) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.

- (g) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such indemnities (or adequate Security has been provided therefore) as it may reasonably require.

21.3 Limited liability for the Agent

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 17 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 15.10(a).
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

21.4 Replacement of the Agent

- (a) Subject to Clause 21.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 21.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent with immediate effect and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by

several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.

- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement.

22. Appointment and Replacement of the Issuing Agent

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

23. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 23(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with these Terms and Conditions to take certain actions but is legally unable to take such actions.

24. Prescription

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

25. Notices

- (a) Subject to Clause 25(d), any notice or other communication to be made under or in connection with the Finance Documents:
 - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch;
 - (ii) if to the Issuer, to the following address:

Jefast Holding AB (publ)
Att: Board of directors, CFO, CEO
Norregatan 2
263 39 Höganäs
Sweden
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders.

- (b) Any notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- (c) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25(a).
- (d) If an Event of Default is continuing, any notice or other communication made by the Agent to the Issuer under or in connection with the Finance Documents may, provided that the Agent deems it necessary in order to preserve the Bondholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Agent), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Agent to the Issuer in accordance with this paragraph (c) shall be sent to the CFO or the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Agent.

26. Governing Law and Jurisdiction

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).
- (c) Paragraphs (a) and (b) above shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

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

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