

GENOVA

GENOVA PROPERTY GROUP AB (PUBL)

PROSPECTUS REGARDING THE ADMISSION TO TRADING OF

SEK 400,000,000

SENIOR UNSECURED CALLABLE FLOATING RATE

BONDS

DUE 2020/2024

ISIN: SE0014808820

1 October 2020

This Prospectus (as defined herein) was approved by the Swedish Financial Supervisory Authority on 1 October 2020. This Prospectus is valid for a period of up to 12 months from the date of this approval. The Issuer's (as defined herein) obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid

Amounts payable under the Bonds (as defined herein) are calculated by reference to STIBOR, which is provided by the Swedish Financial Benchmark Facility. As of the date of this Prospectus (as defined herein), the Swedish Financial Benchmark Facility does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) ("BMR"). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that the Swedish Financial Benchmark Facility is not currently required to obtain authorisation or registration.

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Genova Property Group AB (publ) (“**Genova**”, the “**Company**” or the “**Issuer**” or together with its direct and indirect subsidiaries (unless otherwise indicated by the context) the “**Group**”), reg. no 556864-8116, in relation to the application for listing of bonds issued under the Company’s maximum SEK 750,000,000 senior unsecured callable floating rate bonds 2020/2024 with ISIN SE0014808820 (the “**Bonds**”), of which SEK 400,000,000 was issued on 9 September 2020 (the “**Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”), on the corporate bond list on Nasdaq Stockholm Aktiebolag (“**Nasdaq Stockholm**”). This Prospectus is valid in relation to the SEK 400,000,000 Bonds issued on the Issue Date, 9 September 2020. Carnegie Investment Bank AB (publ) (reg. no. 516406-0138) and Nordea Bank Abp (reg. no. 2858394-9) have acted as joint bookrunners (the “**Bookrunners**”) and Nordea Bank Abp (reg. no. 2858394-9) has acted as issuing agent (the “**Issuing Agent**”).

This Prospectus has been prepared as well as approved and registered by the Swedish Financial Supervisory Authority (Sv. *Finansinspektionen*) (the “**SFSA**”) pursuant to Chapter II and Article 20 in the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Furthermore, Annexes 7 and 15 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the contents of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the SFSA that the information in this Prospectus is accurate or complete.

This Prospectus is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sv. *Stockholms tingsrätt*) shall be the court of first instance. The Prospectus is available at the SFSA’s website (fi.se) and the Company’s website (www.genova.se/). Physical copies of the Prospectus may also be obtained from the Company.

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 applying for admission to trading of the Bonds on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. 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 U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States. The Bonds may not be offered, sold or distributed within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’s auditors. Certain financial information in this Prospectus may have been rounded off 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 that are incorporated by reference and possible supplements to this Prospectus. In this Prospectus, references to “**SEK**” refer to the lawful currency in the Kingdom of Sweden.

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 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 section “Risk factors” below.

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The Bonds may not be a suitable investment for all investors and each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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RISK FACTORS

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

The manner in which Genova, the Company, the Group or the Bonds are affected by each risk factor is illustrated by way of an evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated as “low”, “medium” or “high” and the magnitude of negative impact if it would occur as “low”, “medium” or “high”. The most material risk factor in a category is presented first under that category, whereas subsequent risk factors in the same category are not ranked in order of materiality.

Risk factors specific and material to Genova

I. Risks related to the industry and the market

Changes to the value of the Group’s properties

The value of the Group’s investment properties (Sv. *förvaltningsfastigheter*) are accounted at real value in the balance sheet and any changes to the value of the properties will be accounted for in the income statement. On 30 June 2020¹, the Group’s property portfolio comprised a total value of SEK 4,727 million (in relation to the Group’s total assets of SEK 5,546 million). Property specific factors, such as lower rental levels, higher vacancy rates and higher property expenditures (see risk factors “*Rental levels and rental development*” and “*Property costs*” below), as well as market specific factors, such as interest rates (see risk factor “*Interest expense risks*” below) and higher yield demands (see risk factor “*Macroeconomic factors*” below), may lead to a decrease in value of the Group’s properties. Large decreases in property value may affect the Group’s ability to maintain financing and obtain new financing, as part of the Group’s ongoing ordinary course operations (see risk factor “*Financing and liquidity risks*” below). Given that the Group’s accounted assets mainly consist of properties, a decrease in value could give rise to a number of negative consequential effects for the Group which could have an impact on the Group’s business, results and financial position. The Company considers the probability of any of the risks occurring to be high. As valuation decreases could have a significant effect on the Group’s financial position, the Company considers the potential negative impact of any of the risks to be high.

Risks related to the outbreak of Covid-19

The outbreak of Covid-19, generally deemed a global pandemic, has led to and will continue to have a significant impact on the societies and markets where Genova operates. Genova is primarily affected indirectly, by the outbreak’s direct and indirect effects on the macroeconomic development where Genova has investment properties and carries on project development (see risk factors “*Macroeconomic factors*”, “*Rental levels and rental development*” and “*Credit risk*” below).

As Genova’s tenants are exposed to the effects of the outbreak of Covid-19, Genova may be affected by demands for reduced rental levels and increased vacancy rates (see risk factor “*Rental levels and rental development*” below) as well as increased suspension of payment with counterparties (see risk

¹ The information is derived from the Group’s consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 21.

factor “*Credit risk*” below). This could have several negative consequences for Genova and its property portfolio as well as subsequent impact on the Group’s cash flow, turnover and financial position.

An increased financial uncertainty, as a result of the outbreak of Covid-19, may also impair the availability of such funding that Genova relies on to fulfil its business model (see risk factor “*Dependence on available financing alternatives*” below).

Genova rents out one property in Järfälla and one property in Sollentuna where long stay hotels are run, and has signed a lease agreement, concerning long stay hotel, for a property in Uppsala that is currently being used for other purposes. Genova is also developing two planned hotels on properties in Palma de Mallorca, which will be rented by the Nobis Group. A possible negative impact on the hotel industry as a result of, for example, reduced travel and reduced tourism may have a negative impact on these leases and projects. At present, there are a total of 223 hotel rooms and 35 hotel rooms under construction.

All of the above risks linked to the outbreak of Covid-19 are considered to have a high negative impact on Genova. The Company considers the probability of the above mentioned risks occurring to be high.

Dependence on available financing alternatives

Genova’s business model is based on its ability to obtain necessary financing besides equity, *i.e.* the business is to a large extent financed by loans. The access to and terms of such borrowed capital is dependent on the conditions for lending liquidity in the financial system.

In the event that a financial crisis or distressed situation occurs, and the stability of the financial system is disturbed or ceases to function, Genova’s access to financing may be significantly affected. For example, in connection with the financial crisis in 2008, the bank sector in Europe suffered a lack of liquidity, since the access to borrowed capital was deteriorated, which in turn led to a deterioration of the access to and the terms of bank loans and initially also increased the credit margins and so the interest rates. Thus, in the event of a new financial crisis or distressed situation, there could be difficulties for Genova in incurring new loans or refinancing existing loans, which would affect Genova’s possibility to act in accordance with its business model. This would affect the Company’s operations and results.

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

Macroeconomic factors

The Company’s business is to a large extent affected by macroeconomic factors such as the general state of the economy, national and regional economic developments, the developments in employment rate, production of new residential condominiums and premises, infrastructural development, population growth, demographic developments, inflation and interest rates. The Group operates mainly within the region of greater Stockholm and Uppsala, and is consequently primarily exposed to the regional economic development in these geographical markets. The value of the Group’s investment properties as per 30 June 2020 is to 59 per cent. attributable to greater Stockholm, to 33 per cent. attributable to Uppsala and to 8 per cent. attributable to other regions in Sweden.² For example, the local economic growth affects the developments in employment rate and salaries as well as the demand on the relevant rental market, which in turn affect vacancy rates and rental levels, in particular in respect

² The information is derived from the Group’s consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 9.

of commercial premises. A decreased demand in the current market may lead to difficulties in finding tenants and, as a result, lower revenues for the Group.

Inflation expectations have an impact on interest rates, which consequently affects the Group's result from property management as interest expenses are one of the Group's largest single costs (for the financial period January to June 2020, the Group's interest expenses amounted to approximately SEK 45 million³). For the effects on the Group from interest rate changes, see further risk factor "*Interest rate risks*" below. Changes, and expectations on changes, in the inflation rate could impact yield requirements on properties and, consequently, the market value of the Group's properties, which in turn could lead to various negative effects (see risk factor "*Changes to the value of the Group's properties*" above). Furthermore, a negative development of the real estate market during the implementation of a project, may lead to a reduction of the Group's profitability from project development, losses or that the Group cannot divest the property at all or only on less favourable terms, which in turn may result in diminished property value and decreased profit.

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

Rental levels and rental development

The Group's financial results are generally negatively affected in the case of decreased occupancy rates or rental levels. On 30 June 2020, the Group owned 45 investment properties, with approximately 220 tenants and an average tenancy duration of close to 7 years.⁴ The contracted rental income on annual basis from the three largest tenants 2019 corresponds to approximately 18 per cent. of the total contracted rental income on annual basis. There is a risk that the Group fails to let planned projects or that the Group's tenants do not renew, fulfil or extend their tenancy agreements. Increased vacancy levels generally leads to a decrease in the Group's rental income. If Genova fails to achieve and maintain planned occupancy rates in new projects or if Genova's vacancies increase dramatically and the Group fails to replace such vacancies, the Company considers the potential negative impact to be high. The negative effects, of planned occupancy rates or rental levels in new projects not being achieved, is generally higher than if occupancy rates or rental levels in the existing portfolio decrease. The Company considers the probability of this risk occurring to be low, however, the probability significantly increases in the event of a material deterioration of the macroeconomic development.

The Group is also dependent on its tenants paying their rent on time and in case the tenants would not pay their rents as they fall due (or do not pay at all), or otherwise fail to fulfil their obligations, this could have a material negative impact on the Group's earnings and the value of its receivables. The Company considers the probability of the risk occurring to be low, however, the probability

³ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 19.

⁴ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 10 and 12.

significantly increases in the event of a material deterioration of the macroeconomic development. If the risks were to occur, the Company considers the potential negative impact to be high.

Project development risks

Part of the Group's business activities consists of project development. As per 30 June 2020, the Group had 3 projects in production, corresponding to a property value of SEK 1,514 million and an estimated leasable area of approximately 27,709 square metres. The possibility of implementing development projects with financial profitability depends upon the projects coming into production and being completed, which in turn depends on several factors, such as the ability to retain and recruit necessary expertise within, *inter alia*, construction, project planning, architecture and marketing, as well as to obtain necessary permits and authority approvals and procuring contracts for project implementation on acceptable terms. Furthermore, the Group's project development is dependent on a continuous supply of and financing of new projects on acceptable terms, and that the Group's projects being tailored to adequately respond to market demands. Out of the Group's 28 projects as per 30 June 2020, 3 are in production and 25 are in the planning phase (5 of which are part-owned). One of the Group's operative goals is to increase the number of self-constructed housing in production to 750 units per year. Per 30 June 2020 the annual production rate amounted to 438^{5,6}. The possibility to implement profitable project development is further affected by factors such as changes in the market demand of housing and premises and the price of properties in general, inadequate planning, analysis or cost control, changes in taxes and fees and other factors that could lead to unexpected costs for the projects, to lower than expected profitability for the Group and/or adverse effects on the value of the Group's properties. In addition, delays in projects may decrease profitability. The profitability is also affected by defects and shortcomings that are discovered and taken care of subsequent to access (*Sv. eftermarknadsåtgärder*).

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

Genova does not conduct any construction business activities on its own and depends upon contractors for all construction. This results in a vulnerability in relation to the reliability and ability of the contractors with whom Genova is co-operating. If Genova fails to enter into, or enters into ambiguous or inadequate, agreements with contractors, Genova will be exposed to the risk of sub-contractors not delivering in accordance with Genova's expectations. Contractors may also fail to fulfil agreed terms, for example regarding costs, quality and delivery time. Such deficient fulfilment may be due to financial difficulties of the contractor concerned, which prevent the relevant contractor to deliver in accordance with agreed terms. The possibility to implement profitable property projects is, among other things, affected by Genova's contracted construction works being delivered and produced at the agreed price and within the agreed time, as Genova's property projects may otherwise be delayed and become more costly, with negative consequences for Genova's other operations, its brand and its results. During 2019, a construction contractor working for Genova, went bankrupt and Genova took on the responsibility to complete the assignment, which lead to delays and increased cost for Genova in the current project. Considering this experience, the Company considers the probability that contractors fail to deliver in accordance with Genova's expectations in the future to be low. The negative effects of such breach of contract depend on the nature and cause of the breach and any macroeconomic factor, including its severity, affecting the contractor and causing the breach. For example, the potential negative impact of

⁵ Including 35 hotel rooms.

⁶ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 7 and 16.

a contract breach due to financial difficulty of the contractor concerned, is considered to be high and primarily affect the Group's profitability and operational activities, while the potential negative impact of contract breach in terms of quality and delivery time is considered to be medium and primarily affect the Group's financial position and business.

Property costs

The Group's operating costs mainly consist of costs for heating, water, property maintenance, cleaning and insurance. In 2019, the operating costs amounted to SEK 37.5 million. The Group has limited control over these costs. To the extent increases in such costs are not, directly or indirectly, compensated in accordance with the terms of tenancy agreements, or by renegotiation of tenancy agreements such as in relation to rent increases, it could have a material negative impact on the Group's results (see risk factor "*Changes to the value of the Group's properties*" above). The Company considers the probability of an increase in the relative operating costs (*i.e.* without taking into account a larger property portfolio and an altered product mix) to be low. If the risk were to occur, the Company considers the potential negative impact to be low.

Maintenance costs are attributable to actions that intend to maintain the properties' original standard and value. In addition to maintenance costs, unexpected expenses related to adjustments for tenants normally arise. In 2019, maintenance costs amounted to SEK 7.6 million. Unexpected and large renovation needs may entail significant expenses for the Group. The Company considers the probability of the risk occurring to be high. If the risk were to occur, the Company considers the potential negative impact to be low.

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

The Company's operations continuously involve property transactions. In the financial year 2019 the Group acquired 18 properties and divested one property. From January to June 2020, the Group acquired 3 properties, obtained access to 2 properties (whereof one acquired in 2019),⁷ and entered into agreement to divest 50 per cent. of a property. Such transactions are associated with risks and uncertainties. Acquisitions of properties are for instance associated with uncertainty in relation to the handling of tenants, unexpected costs with respect to environmental clean-up, rebuilding and handling technical problems, decisions from authorities and the occurrence of disputes relating to the acquisition or the condition of the property. Such uncertainties may result in delays and increased and/or unexpected costs for the transaction and that the value of the acquired property will therefore be lower than expected. In connection with the disposal of a property, there is a risk that claims could be directed against the Group regarding, among other things, the condition of the disposed property and provided warranties.

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

The Group currently has one building under construction for a tenant owned association. When the Group sells properties to tenant owned associations, in addition to customary warranties regarding the property, the Group provides certain guarantees and undertakings in relation to the project, among other things, guarantees in relation to the financial calculation of the project (implying that the Group shall compensate the tenant owned association if the estimated costs set forth in the project financial

⁷ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 3 and 10.

calculation are exceeded) and in relation to the economic plan of the project. The Group has also committed to acquire unsold condominiums, and the Group is consequently affected by any reduced desire and ability to pay for housing units produced by the Group. The fulfillment of these guarantees and undertakings could lead to material costs for the Group. The Company considers the probability of the risk occurring to be medium. If the risk were to occur, the Company considers the potential negative impact to be low.

The Group is also regularly a guarantor for financing arrangements entered into by tenant owned associations for the purpose of financing the associations' acquisitions of the Group's housing development projects. In the event that such tenant owned association is unable to service its debt obligations and the value of pledged property would prove to be less than the tenant owned association's debts, the lenders may invoke the commitments made by the Group. There is a risk that the expected incomes calculated by a tenant owned association are not realised or that a tenant owned association for other reasons is unable to meet their financial commitments, which would trigger the Group's payment obligations under the commitments made by the Group, resulting in material costs for the Group. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be low.

Technical risks

The Group's property management, project development and property acquisitions are associated with technical risks, which include risks associated with the technical status of the property, such as the risk for construction errors, other latent defects and deficiencies, damages and pollution. If such technical problems would occur, they may cause delays of planned property development projects, or increased costs for upgrading and management of the Group's properties (including measures needed in respect of properties already disposed of). Any technical deficiencies in the properties developed by the Group may also constitute a breach of warranties that the Group has made to acquirers of such properties, which in turn may lead to increased costs for the Group – see for example "*Risks related to acquisitions, disposals and other transaction-related risks*" above.

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

Role distribution and dependence on key personnel

Genova's organisation is built around a number of individuals with many years of experience in property management, project development, financing and marketing. Its own capacity is complemented by purchased services, in order to give the organisation flexibility and capacity to handle large project volumes despite its limited size. Genova's narrow organisation may cause the Group to incur losses due to inadequate routines regarding, among other things, role distribution, internal control, appropriate administrative systems, competence development and access to reliable valuation and risk models.

Due to the limited size of the organisation, the Group and its operations are further dependent on a number of key people, including Genova's senior executives. Through their experience, these key people have built good relationships with actors in the property market in Sweden and these key people are therefore important for a successful development of the Group's business.

If Genova's procedures fail or lead to incorrect decisions or if key people leave Genova, it could have a medium negative impact on Genova's operational activities. The Company considers that the probability of the risk occurring is low.

II. Legal and regulatory risks

The Group is subject to political decisions that affect the operations

In order for the Group's properties and building rights to be used and developed as intended, different permits and rulings, including, zoning plans, building permits and other forms of land parcelling are required, all of which are granted by local authorities and municipalities, both on a political and an official level. There is a risk that decisions and rulings are delayed and/or that the Group is not granted the permits or the decisions needed to conduct and develop the Group's operations as intended or that the intended projects only could be carried out at higher costs and/or lower development rate than expected or with delays. This could also have an impact on the value of the Group's properties. Furthermore, there is a risk that permits are appealed, and that processes are therefore significantly delayed, or that established practice and/or the political environment in which the Group operates changes in an undesirable way for the Group. The Company considers the probability of any of the risks occurring to be high. As per 30 June 2020, Genova was an applicant in four matters regarding building permits and involved in 22 planning procedures.⁸ If any of the risks were to materialise, the Company considers the potential negative impact to be high.

Property operations are also materially affected by more general political decisions by way of laws, regulations and other decisions by authorities regarding for example planning and construction processes, taxes and fees, construction requirements (e.g. safety requirements, environmental requirements, building standards, material requirements, etc.) and the rent control in the housing market. These rules and regulations are subject to changes, both due to political decisions and due to the legal interpretation of the rules and regulations. For example, in autumn 2019 a Court of Appeal (*Sv. Hovrätt*) ruling led to rent reductions for a number of newly built rental apartments in Uppsala. If the regulatory framework were to change, or if Genova's interpretation of existing laws and regulations prove to be incorrect, this could have a material negative impact on the Group's operations. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be high.

Since 2017, developers may apply for so-called investment grants (*Sv. investeringsstöd*) for construction of rental apartments and student housing. The investment grant comes with certain requirements, *inter alia* in terms of rental levels (which must not exceed a certain level), tenant agencies (through municipal housing agencies or otherwise pursuant to open and transparent principles) and energy usage. Genova's business model does not involve receiving investment grants and Genova does not receive such grants for any ongoing project. However, competitors of Genova, with projects in the same area as Genova, may receive investment grants, which leads to lower rental levels in the area. In the longer term, investment grants could thus have adverse effects on rental levels in the areas also where Genova's properties are located. The Company considers the probability of the risk occurring to be high. If the risk would materialise, the Company considers the potential negative impact to be low, since the impact is deemed geographically isolated.

⁸ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 16.

Agreements (such as land development agreements) and procedures (such as zoning plan procedures) in the public sector, and the procedures relating thereto, are often subject to a more extensive review and public scrutiny than commercial agreements between private parties. The publicity and the political aspects of publicly procured agreements with municipalities and authorities imply an increased risk in relation to the Group's reputation. Negative publicity concerning the Group, regardless of its truthfulness, could have a material negative impact on the Group's operations. The Company considers the probability of any of the risks occurring to be high. If the risk were to materialise, the Company considers the potential negative impact to be medium.

The Company is from time to time dependent on temporary building permits in order for the Company, or its tenants, to be able to carry out planned operations on the property. In the event that such a temporary building permit would not be granted or extended, planned or ongoing use of the property may need to be changed or discontinued, which could adversely affect the Company's investment property portfolio. The company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be medium.

Tax risks

The Group's operations are conducted in accordance with the Group's interpretation of applicable laws and regulations and current practice within the area of tax, and in accordance with advice from tax consultants. However, it cannot be ruled out, that the Group's interpretation of applicable tax laws and regulations is incorrect or that such regulations or practice changes, possibly with retroactive effect. The Group may also, from time to time, be subject to tax audits which may result in additional tax or fees to be payable. For example, Genova Veddesta Fastighet AB is currently subject to a tax audit regarding VAT for the period 2016–2019. Auditing of the current type may be carried out for an extended period of time and this generally means that any tax increases cannot be ruled out before the audit has been completed. The Group's tax situation is also affected by whether transactions between companies within the Group are considered to be market-priced and whether the Group's applied allocation principles, when allocating purchase value to properties, are considered correct.

Some senior executives have been offered and have acquired shares in companies within the Group. In September 2019, the Company repurchased such shares from senior executives through share exchange transactions, resolved pursuant with the so-called Leo Act (*Sv. Leo-lagen*). The Group believes that these transactions have been conducted on market terms. However, if any of these transactions are not considered to have been entered into on market terms, there is a risk that additional taxes, interest or fees will be imposed on the Group.

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

Changes in tax rules

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

As the Group's operations are capital intensive, the Group is affected by the new interest deduction limitation rules that entered into force in Sweden on 1 January 2019. The new rules entail a general

limitation for interest deductions within the corporate sector by introducing an EBITDA-rule implying that a company is only given the right to deduct a negative net interest income (the difference between the company's deductible interest expenses and its taxable interest income) corresponding to a maximum of 30 per cent. of the company's taxable EBITDA. In connection with the introduction of the general interest deduction limitation rules, the corporate tax rate was also reduced, in a first step to 21.4 per cent (as per 1 January 2019) and in a second step from 21.4 per cent to 20.6 per cent (as per 1 January 2021).

As per 30 June 2020, the Group's total outstanding interest bearing debt amounted to SEK 3,107 million, with an average interest rate of 2.4 per cent. (excluding the Company's bond loans; and including such bond loans, 3.1 per cent.).⁹ Depending on how the Group's capital structure and operating profit appear going forward, the new rules, despite the reduction in the corporate tax rate, may have a material adverse effect on the Group's results.

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

Risks related to accounting rules and uncertainty in estimates

The Group is affected by the accounting rules applicable in the jurisdictions in which the Group operates, including IFRS and other international accounting standards. The Group's accounting, financial reporting and internal control may in the future be affected by changes of or altered practices in relation to applicable accounting rules. For example, IFRS 9 and IFRS 15 came in to force in January 2018 and IFRS 16 came into force in January 2019, and these standards are all applicable to the Group. This could result in uncertainty regarding the Group's accounting, financial reporting and internal control.

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

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

⁹ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 25.

Environmental risks

According to Swedish legislation, the main rule is that the business operator, either current or former, is responsible for the remediation of a contaminated property. There can be, or in the past there may have been, tenants on the properties owned directly or indirectly by the Group who conduct operations that may require remediation in accordance with the Swedish Environmental Code (*Sv. miljöbalken (1998:808)*).

If no operator can perform or pay for the remediation of a contaminated property, the party who has acquired the property is responsible for the remediation if the party knew of, or at the time ought to have discovered, the contaminations. As of 30 June 2020, the Group owns 45 investment properties and development projects comprising 5,267 building rights, all of which pertain ownership of real property.¹⁰ This means that remediation claims under certain circumstances may be directed against the Group for cleaning-up or after-treatment due to the occurrence of, or suspicion of, contamination in the ground, water areas or groundwater, in order to ensure the properties are in such condition as required by the Environmental Code. If any of the Group's properties turns out to be contaminated, this could limit the Group's intended use of the property, lead to significant costs for after-treatment and/or have adverse effects on the value of the Group's properties.

If changes to legislation and authority requirements were to occur this might lead to increased costs for remediation or after-treatment for current or in the future acquired properties. Furthermore, future changes in applicable laws and regulations and authority requirements may lead to increased costs for the Group and delay the Group's intended development of properties.

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

III. Financial risks related to Genova

Financing and liquidity risks

The Group's operations are mainly financed by interest bearing debt. As per 30 June 2020, the Group's total outstanding interest bearing debt amounted to approximately SEK 3,107 million (of which approximately SEK 2,423 million to credit institutions).¹¹ During 2019, approximately SEK 1,300 million of debt relating to the Group's investment properties were refinanced for 5 years with credit institutions. Part of the Group's operations consists of project development, which may be delayed or suffer from unexpected or increased costs due to factors which may be outside of the Group's control, which may in turn cause that projects are not completed before the loans fall due, or that such increased costs are not covered by existing loan agreements. In case the Company is unable to obtain new financing or refinance existing facilities, or is only able to obtain such financing on unfavourable terms, it could, among other things, lead to increased costs and lower revenues and have a material negative effect on the Group's operations in general. The Company considers the probability of the risk of not being able to obtain new financing or refinance existing facilities to be low, however, the probability significantly increases in the event of a material deterioration of the macroeconomic development or a decrease in value of the Group's properties. If the risk occurs and the Company is not able to obtain

¹⁰ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 3 and 9.

¹¹ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 25.

new financing or refinance existing facilities, the Company considers the potential negative impact to be high.

As per 30 June 2020, the Group has liquidity of SEK 454 million, including unutilised credit facilities of SEK 400 million.¹² The Group's credit facility is subject to conditions consisting of a number of financial ratios and a number of non-financial ratios. The financial ratios include the loan-to-value ratio and the interest-coverage ratio. In the event that access to current financing changes (see risk factor "*Dependence on available financing alternatives*" above) and/or the macroeconomic conditions otherwise change in a way that affects the Group's results, financial position and cash flows (see risk factor "*Macroeconomic factors*" above), for example as a result of the outbreak of Covid-19 (see the risk factor "*Risks related to the outbreak of Covid-19*" above), it could adversely affect the Group's liquidity, which could lead to a working capital deficit in the Group. The company considers that the probability of the risk occurring is low. If the risk should occur, the Company considers that the potential negative impact is high.

Interest expense risks

The Group is financed mainly through interest bearing debt in addition to equity. Interest expenses are among the main cost items for the Group, amounting to approximately SEK 44.8 million for the period January–June 2020¹³ and SEK 66.1 million for the financial year 2019. The interest expenses are mainly affected by the, from time to time, current interest rate levels. Interest rate expenses are affected by, besides the volume of interest bearing debt, the level of current market interest rates, the credit institutions' margins and the Group's strategy regarding interest rate fixation. As per 30 June 2020, the Group's average interest rate amounted to 2.4 per cent. (excluding the Company's bond loan; and including such bond loan, 3.1 per cent.).¹⁴

The market interest rates are mainly affected by the expected inflation rate. The short interest rates in Sweden, such as three months STIBOR, which currently constitutes the basis for determining the interest in a majority of the Group's loan agreements as per 30 June 2020 (see, however, for further discussion risk factor "*Interest rate risks and benchmarks*" below), is mainly affected by the Swedish National Bank's (Sv. *Riksbanken*) repo rate (Sv. *reporänta*), which is a monetary policy steering mechanism. If the inflation is expected to increase, the repo rate is expected to increase and vice versa. If three months STIBOR had been 0.5 percentage points higher for 2019, the Group's interest costs during such financial year would have been SEK 74.7 million. The larger the share of the Group's interest bearing loans covered by interest rate fixation and the longer such interest rate fixation periods, the longer time before a change in the base interest rate would affect the Group's interest expenses. Increased interest rates and increased interest expenses could lead to changes in fair market values, changes in cash flows and fluctuations in the Group's results. The Company considers the probability of any of the risks occurring to be medium. If any of the risks were to occur, the Company considers the potential negative impact to be medium.

¹² The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 3 and 25.

¹³ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 19.

¹⁴ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 25.

Credit risk

The Group's existing and future counterparties, including its tenants, could enter into a financial position where they are unable to pay agreed rents on time or are otherwise unable to fulfil their obligations pursuant to tenancy agreements entered into. There is also a risk that the Group's counterparties, including tenant-owner associations, refrain from fulfilling its payment obligations in accordance with any preliminary sales agreements in relation to the Group's properties. These preliminary agreements are binding according to the Swedish Tenant-Owners Act (Sv. *bostadsrättslagen (1991:614)*), but it cannot be ruled out that parties of such preliminary agreements, when a condominium is to be signed, are unable to pay the contribution in accordance with the terms of the preliminary agreement or otherwise do not fulfil their obligations pursuant to such agreement, which ultimately may affect the warranties provided by the Group in relation to the relevant tenant-owner association (see risk factor "*Risks related to acquisitions, disposals and other transaction-related risks*" above). The Group has also entered into, and may enter into in the future, preliminary agreements concerning properties not yet been completed. If counterparties do not adhere to such preliminary agreements, the Group may not be fully reimbursed in case of the counterparty's failure to enter into a rental agreement in accordance with the preliminary agreement. The ability of the Group's counterparties to fulfil agreements vis-à-vis the Group is also affected by the prevailing macroeconomic environment (see risk factor "*Macroeconomic factors*" above), influenced by, for instance, the outbreak of Covid-19 (see risk factor "*Risks related to the outbreak of Covid-19*" above), which could adversely affect the Group's liquidity and decrease its working capital. The Company considers the probability of the risk occurring to be low. In the event that a single counterparty is unable to fulfil its commitments vis-à-vis the Group, the Company considers the potential negative impact to be low. However, the potential negative impact increases to high in the event that several counterparties fail to fulfil its obligations. The Company considers the probability of the above risks occurring to be low but that the probability significantly increases in the event of a materially deteriorated macroeconomic development.

Financial covenants

The Group finances its operations by way of interest bearing loans from credit institutions as well as the capital markets, by way of bond loan financing. As per 30 June 2020, the Group's total outstanding interest bearing debt amounted to approximately SEK 3,107 million (of which approximately SEK 2,423 million to credit institutions).¹⁵ The Group's interest bearing debt to credit institutions is secured by mortgages and pledges over properties, promissory notes (within the Group), shares in subsidiaries and by parent company guarantees. Certain Group companies have also issued guarantees for loans taken by tenant owned associations in relation to their acquisition of development projects from the Group.

Some of the Group's financing agreements include financial covenants. The financial covenants in such agreements are, at least in the short term, negatively affected when the Group acquires properties financed with loans from external creditors or in the event of value deterioration of the Group's properties. Should the Group fail to meet any financial covenants in the relevant loan agreements, it could result in the Group's loans, including the Company's bond loans, which contain cross-default provisions, being terminated prior to maturity and pledges or guarantee commitments being enforced, which could have a material adverse effect on the Group's operations and financial position, which in

¹⁵ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p 25.

turn would lead to increased costs and/or a decrease in the Group's liquidity. Certain of the Group's loan agreements provide that the lender may terminate the agreements in the event of a change of control event occurring or in case the relevant security provided would become deteriorated, the Group is, among other things, subject to financial covenants in relation to its equity ratio and net debt to property value ratio. Consequently, deterioration of the property market (see risk factors "*Macroeconomic factors*" and "*Changes to the value of the Group's properties*" above) could result in the Group failing to meet its financial covenants, which in turn could result in the Group's loan agreements being terminated and/or any security being enforced, which would adversely affect the Company's operations and financial position. The Company considers the probability of the risk occurring to be medium. If the risk were to occur, the Company considers the potential negative impact to be high.

Risk factors specific and material to the Bonds

I. Risks related to the admission of the Bonds to trading on a regulated market

Liquidity risks

The Company has undertaken to list the Bonds issued in the initial bond issue on the corporate bond list of Nasdaq Stockholm within 12 months after the first issue date for the Bonds, and intends to effect such listing within 30 days from the first issue date of the Bonds. After such listing, the Company shall ensure that all Bonds issued thereafter are also listed on Nasdaq Stockholm. However, there is a risk, which the Company considers to be of low probability, that the Bonds will not be admitted to trading. Further, even if securities, including the Bonds, are admitted to trading on Nasdaq Stockholm, there is not always active trading in the securities, so there is an intermediate risk that the market for trading in the Bonds will be illiquid even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. 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 compared to the market price of the Bonds if they are admitted for trading on Nasdaq Stockholm.

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

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

II. Risks related to the nature of the Bonds

Dependence on subsidiaries and joint ventures

A significant part of the Group's assets and revenues relate to the Company's subsidiaries and joint ventures. Accordingly, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in such entities to enable it to make payments under the Bonds. The Company's subsidiaries and joint ventures are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Company's subsidiaries and joint ventures to make such payments to the Company is subject to, among other things, the availability of funds.

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

Structural subordination and insolvency of subsidiaries and joint ventures

In the event of insolvency, liquidation or a similar event relating to one of the Company's subsidiaries or joint ventures, all creditors of such company would be entitled to payment in full out of the assets of such company before the Company, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries and joint ventures. Defaults by, or the insolvency of, certain subsidiaries or other associates of the Company may result in the obligation of the Company to make payments under financial or performance guarantees in respect of such companies' obligations or the occurrence of cross defaults on certain borrowings of the Group and its joint ventures. There is a risk that the Company and its assets would not be protected from any actions by the creditors of a subsidiary or a joint venture, whether under bankruptcy law, by contract or otherwise. The Company considers the probability of the risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be high.

Financing, structural subordination and priority rights

The terms and conditions only include limited restrictions in relation to market loans as to the ability of the Company and its subsidiaries to incur additional indebtedness, and there are no such restrictions at all with respect to the Company's associated companies.

The Group and its associated companies have, as part of its financing, incurred debts to credit institutions and intend to continue seeking appropriate and profitable financing and may in connection thereto grant security for such financing. Such secured financing may negatively affect the Bonds as the Bonds are structurally subordinated to such debt.

The Bonds represent unsecured obligations of the Company. This means that in the event of the liquidation, bankruptcy, reorganisation or winding-up of the Company, the bondholders normally receive payment after any priority creditors have been paid in full. Each investor should be aware that by investing in the Bonds, it risks losing the entire, or parts of, its investment in the event of the Company's liquidation, bankruptcy or company reorganisation. The Company considers the probability of the above risk occurring to be low. If the risk were to occur, the Company considers the potential negative impact to be high.

Interest rate risks and benchmarks

The Bonds' value depends on several factors, one of the more significant over time being the level of market interest. The Bonds will bear a floating rate interest of STIBOR plus a certain margin and the interest rate is therefore adjusted for changes in the level of the general interest rate. Hence, there is a risk that increased general interest rate levels significantly affect the market value of the Bonds.

The determining interest rate benchmarks, such as STIBOR has been subject to regulatory changes such as the Benchmarks Regulation (Regulation (EU) 2016/1011 on indices used as benchmarks in financial and contracts or to measure the performance of investment funds) (the "BMR"). The implementation of the BMR will lead to that certain previously used benchmarks, such as EURIBOR will be discontinued, leading to that, *inter alia*, existing financing arrangements may need to be renegotiated

or terminated. There is a risk that also STIBOR will be discontinued, or that alternative benchmark rates will dominate market practice, leading to uncertainties in relation to the interest rate payable in relation to the Bonds. Increased or altered regulatory requirements and risks associated with the BMR (as amended) involve inherent risks, as the effects cannot be fully assessed at this point in time. There is a risk that developments in relation to STIBOR cause volatility in STIBOR, which would affect the interest rate for the Bonds.

Should STIBOR be discontinued, the Terms and Conditions does not provide for an alternative calculation of the interest rate for the Bonds. There is a risk that the lack of such alternative interest calculation mechanism results in interest payments less advantageous for the Bondholders compared to similar securities investments, or that such interest payment do not meet market interest rate expectations.

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

RESPONSIBLE FOR THE INFORMATION IN THE PROSPECTUS

The Company has obtained all necessary resolutions, authorisations and approvals required in conjunction with the issuance of the Bonds and the performance of its obligations relating thereto. The issuance of the Bonds on 9 September 2020 was authorised by the board of directors at a board meeting held on 24 August 2020. At that board meeting, the board of directors also resolved to authorise certain representatives of the Company to execute, deliver and perform the documents contemplated by the issue of the Bonds, including this Prospectus.

The information in the Prospectus and in the documents incorporated by reference which derive from third parties has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Company is the source of all company specific information contained in this Prospectus and the Bookrunners has conducted no efforts to confirm or verify the information provided by the Company. The board of directors is responsible for the information given in this Prospectus only under the conditions and to the extent set forth in Swedish law. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omissions likely to affect its import.

This Prospectus has been approved by the SFSA as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Regulation**"). The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. The SFSA's approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

Stockholm on 1 October 2020

GENOVA PROPERTY GROUP AB (PUBL)

The board of directors

THE BONDS IN BRIEF

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference, and the full Terms and Conditions, before a decision is made to invest in the Bonds.

Concepts and terms defined in section “*Terms and Conditions for the Bonds*” are used with the same meaning in this section unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.

General

Issuer	Genova Property Group AB (publ), reg. no. 556864-8116, Smålandsgatan 12, 111 46, Stockholm.
Resolutions, authorisations and approvals	The Company’s board of directors resolved to issue the Bonds on 24 August 2020.
The Bonds offered.....	As at the date of this Prospectus, SEK 400,000,000 senior unsecured callable floating rate bonds due 9 September 2024 have been issued. The Bonds are issued within a framework amount of up to SEK 750,000,000, and Subsequent Bonds may be issued under the Terms and Conditions. This Prospectus is not drafted, nor approved, for the purpose of admitting Subsequent Bonds under the Terms and Conditions.
Nature of the Bonds	The Bonds constitute debt instruments (<i>Sv. skuldförbindelser</i>), each of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act.
Number of Bonds.....	As at the date of this Prospectus, 320 Bonds have been issued and will be admitted to trading following the approval of this Prospectus. Additionally 280 Subsequent Bonds may be issued under the Terms and Conditions meaning that a maximum of 600 Bonds may be issued under the Terms and Conditions.
ISIN.....	SE0014808820.
Issue Date.....	9 September 2020.
Price	All bonds issued on the Issue Date have been issued at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
Interest Rate	Interest on the Bonds is paid at a rate equal to three (3) months STIBOR, plus (ii) four hundred and fifty (450) basis points <i>per annum</i> .
Interest Payment Dates.....	9 March, 9 June, 9 September and 9 December each year (with the first Interest Payment Date being on 9 December 2020 and the last Interest Payment Date being the Final Redemption Date, 9 September 2024). Interest will accrue from, but excluding, the Issue Date or any Interest Payment Date and ending on (and including)

	the next succeeding Interest Payment Date (or a shorter period if relevant).
Final Redemption Date	9 September 2024.
Initial Nominal Amount.....	The Bonds have a nominal amount of SEK 1,250,000 and the minimum permissible investment upon issuance of the Bonds is SEK 1,250,000.
Denomination.....	The Bonds are denominated in SEK.
Status of the Bonds	The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.
Use of Proceeds.....	The Net Proceeds shall be used to (i) firstly repurchase Existing Bonds 2017/2021 and/or redeem the Existing Bonds 2017/2021 in full and (ii) thereafter for general corporate purposes of the Group, including acquisitions of Investment Properties. The Net Proceeds from any Subsequent Bond Issue shall be used for the purposes set out in item (ii) above.
Existing Bonds 2017/2021	The Issuer's outstanding senior unsecured callable floating rate bonds 2017/2021 with ISIN SE0009779291.
Existing Bonds 2019/2023	The Issuer's outstanding senior unsecured callable floating rate bonds 2019/2023 with ISIN SE0013222593.

Call Option

Call Option.....	Provided that the Existing Bonds 2019/2023 have been redeemed in full, the Company may redeem all, but not only some, of the Bonds in full on any Business Day before the Final Redemption Date at the applicable Call Option Price together with accrued but unpaid Interest, in accordance with Clause 10.3 (<i>Early Voluntary Redemption by the Issuer (Call Option)</i>) of the Terms and Conditions.
Call Option Price.....	Call Option Price means: <ul style="list-style-type: none"> • if the Call Option is exercised before the First Call Date; (A) one hundred and two point twenty-five (102.25) per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date plus (B) the remaining interest payments (excluding accrued but unpaid interest up to the relevant Redemption Date) up to and including the First Call Date; • one hundred and two point twenty-five (102.25) per cent. of the Nominal Amount if the Call Option is exercised on or after the

First Call Date up to (but not including) the date falling forty five (45) months after the First Issue Date;

- one hundred and one point one hundred and twenty-five (101.125) per cent. of the Nominal Amount if the Call Option is exercised on or after the date falling forty five (45) months after the First Issue Date up to (but not including) the Final Redemption Date; or
- 100.00 per cent. of the Nominal Amount if the Call Option is exercised on or after the date falling forty five (45) months after the First Issue Date up to (but not including) the Final Redemption Date provided that such early redemption is financed in full by way of the Issuer issuing Market Loan(s).

First Call Date The First Call Date means the date falling thirty six (36) months after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

Put Option

Put Option Upon a Change of Control Event, a De-listing Event or a Listing Failure Event occurring, each Holder shall have the right to request that all, or some only, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of thirty (30) calendar days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 11.11(e) of the Terms and Conditions. The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event, De-Listing Event or Listing Failure Event.

Change of Control Event..... A Change of Control Event means the occurrence of an event or series of events whereby one or more Persons (other than a Main Shareholder) acting together, acquire control over the Issuer and where "control" means (i) acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the votes of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

De-listing Event The occurrence of an event or series of events whereby (i) the ordinary shares of the Issuer cease to be listed on Nasdaq Stockholm or trading of the Issuer's listed ordinary shares on Nasdaq Stockholm is suspended for a period of fifteen (15) consecutive Business Days, or (ii) the Bonds (subsequent to having been admitted to trading pursuant to Clause 11.2 of the Terms and

Conditions cease to be admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market on which the Bonds are admitted to trading, as applicable, and the CSD preventing trading in the Bonds in close connection with the redemption of the Bonds).

Listing Failure Event..... A situation where (i) the Initial Bonds are not admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days following the First Issue Date (although the Issuer will use its best efforts to have the Initial Bonds admitted to trading within thirty (30) calendar days from the First Issue Date as well as any Subsequent Bonds within thirty (30) calendar days from such relevant Issue Date), or (ii) any Subsequent Bonds are not admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days following the relevant Issue Date (unless Subsequent Bonds are issued before the date falling sixty (60) calendar days after the First Issue Date in which case such Subsequent Bonds shall be admitted to trading within sixty (60) calendar days after the First Issue Date).

Miscellaneous

Transfer restrictions The Bonds are freely transferable. All Bond transfers are subject to the Terms and Conditions, and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.

The Holders may be subject to purchase or transfer restrictions with regard to the Bonds under local laws to which a Holder may be subject. The Bonds have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction.

Listing Application for admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm will be submitted in immediate connection with the SFSA's approval of this Prospectus. The latest day to admit the Bonds to trading on Nasdaq Stockholm is on 9 October 2020. The total expenses of the admission to trading of the Bonds are estimated to amount to SEK 100,000.

Agent..... Intertrust (Sweden) AB reg. no. 556625-5476, Sveavägen 9, P.O. Box 162 85, SE-103 25, Stockholm, Sweden. The Agent's rights and obligations can be found in the Terms and Conditions for the Bonds, which are available on the Issuer's website www.genova.se and is contained in this Prospectus.

Governing law of the Swedish law.

Bonds

.....

Time-bar

The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be time-barred and become void three (3) years from the relevant due date for payment.

Risk factors

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

DESCRIPTION OF THE COMPANY AND THE GROUP

History and development of the Company

The Company's legal and commercial name is Genova Property Group AB (publ) and it is a Swedish property company domiciled in Stockholm municipality, with Swedish reg. no 556864-8116. The Company was formed on 25 August 2011 and registered with the Swedish Companies Registration Office on 16 September 2011. According to the Company's articles of association, the objects of the Company is to carry on property investments and property management as well as conduct business compatible therewith. The business of the Group started in 2006 as a minor property company with a smaller property portfolio. At present, the Company is an active property company with long-term owners and a well-positioned property and project portfolio focusing on the growing regions of Stockholm and Uppsala as well as certain other expansive regions in Sweden. The Company carries out its business in accordance with Swedish law including, but not limited to, the Swedish Companies Act (Sv. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sv. *årsredovisningslagen (1995:1554)*). The Company's ordinary shares and preference shares are both listed on Nasdaq Stockholm Main Market, the ordinary shares since 30 June 2020 and the preference shares since 12 June 2020.

Overview of the Issuer

<i>Company/trade name</i>	Genova Property Group AB (publ).
<i>Legal form</i>	Public limited liability company.
<i>Corporate registration number</i>	556864-8116.
<i>LEI-code</i>	549300EJ67GY3FS4IN91.
<i>Incorporated</i>	On 25 August 2011.
<i>Registered</i>	On 16 September 2011.
<i>Head office</i>	Municipality of Stockholm.
<i>Visitors address</i>	Smålandsgatan 12, 111 46, Stockholm, Sweden.
<i>Phone number</i>	+46 (0)8-124 443 60.
<i>Website</i>	www.genova.se (the information provided at the Issuer's website, does not form part of this Prospectus and has not been scrutinised or approved by the SFSA, unless explicitly incorporated by reference).
<i>Operational objective</i>	The Company shall carry on property investments and property management as well as conduct business compatible therewith.

Organisational structure

The Issuer is the parent company of the Group, consisting of several operating companies set out in the tables below. Table A exhibits the Company's, directly or indirectly, wholly owned subsidiaries as of 31 December 2019. Table B exhibits the Company's subsidiaries as of 31 December 2019, where the Company exercises controlling influence due to its holding of more than fifty (50.00) per cent. of the votes or by way of a controlling project plan influencing shareholders' agreements in relation to such subsidiaries.

Table A: Wholly owned, directly or indirectly, subsidiaries			
Company	Reg. no	Capital holding as of 31 December 2019 (%)	Voting rights as of 31 December 2019 (%)
Genova Fastigheter AB	556712-9324	100	100
Genova Retail AB	556898-0444	100	100
Genova Sunnersta AB	556864-7928	100	100
Genova Luthagen AB	556864-7936	100	100
Genova Almunge AB	556893-9036	100	100
Genova Storvreta AB	556864-7951	100	100
Genova Flogsta AB	556864-7944	100	100
Genova Lännersta AB	556848-2839	100	100
Genova Seminariet AB	559012-9002	100	100
Genova Omsorg AB	556759-5482	100	100
Genova Tattby AB	559012-8988	100	100
Genova Björknäs AB	559012-8996	100	100
Genova Lillsätra 2 AB	556660-2743	100	100
Genova Viby AB	556948-7456	100	100
Genova Viby Fastighet AB	556708-3323	100	100
Genova Brynjan Holding AB	559130-7540	100	100
Genova Brynjan AB	559129-9895	100	100
Genova Gördelmakaren Holding AB	556898-0105	100	100
Genova Gördelmakaren 5 AB	556708-2739	100	100
Genova Hold Kvarnholmen AB	559068-5276	100	100
Genova Kvarnholmen Fastighet AB	559076-3248	100	100
Genova NV 3 Holding AB	559088-4861	100	100
Genova NV3 AB	559088-4119	100	100

Genova Linne Holding AB	559088-4739	100	100
Genova Linne AB	559088-4127	100	100
Genova Rivan Holding AB	559088-4838	100	100
Genova Rivan AB	559088-4135	100	100
Genova OM Holding AB	559089-0066	100	100
Genova Odal mannen Fastighet AB	559129-9911	100	100
Genova Instrumentet Holding AB	559130-7565	100	100
Genova Instrumentet Fastighets AB	559130-0057	100	100
Genova Veddesta Holding AB	559130-7573	100	100
Genova Veddesta Fastighet AB	559082-7316	100	100
Genova Verkstadsgatan Holding AB	559170-5040	100	100
Genova Verkstadsgatan AB	559129-9952	100	100
Genova Vikdalen Holding AB	559170-5057	100	100
Genova Vikdalen AB	559130-0008	100	100
Genova Drevern Holding AB	559170-5065	100	100
Genova Drevern 1 AB	559170-6139	100	100
Genova Fast 44 AB	559220-1160	100	100
Rade Fastigheter AB	556560-7297	100	100
Genova Hold 22 AB	559191-4337	100	100
Magnethuset Fastighets KB	96715-9334	100	100
Handelsbolag Medhuset	916407-2507	100	100
Genova Hold 21 AB	559191-4311	100	100
Genova Nynäs AB	559170-6097	100	100
Genova Fast 38 AB	559191-4188	100	100
Genova Elverket 1 AB	559191-4287	100	100
Genova Bergsbrunna AB	559191-5516	100	100
Fastighets AB Gålö	556951-1099	100	100
Genova Mältargatan AB	559219-9516	100	100
Mastvik AB	556932-4568	100	100
Genova Drevern 2 AB	559219-9441	100	100
Fastighets AB Drevhuset	556720-5728	100	100

Genova Kungsängsesplanaden AB	559219-9276	100	100
Fastighets AB Uppsalaängen	559019-6902	100	100
Genova Hus Holding 1 AB	559053-5232	100	100
Genova Boländerna 9:11 AB	559014-3805	100	100
Genova Boländerna Fastighet AB	556721-2104	100	100
Genova Handelsmannen Holding AB	556898-0311	100	100
Genova Handelsmannen Fastighet AB	559064-1436	100	100
Genova Runö Holding AB	556898-0303	100	100
Genova Runö AB	556867-9095	100	100
Genova Kryddgården Holding AB	559076-1523	100	100
Genova Kryddgården Fastighet AB	559076-2257	100	100
Genova Borås Holding AB	559076-1556	100	100
GenJärn Borås Fastighet AB	556708-2663	100	100
GenJärn Borås Fastighet 2 AB	559170-6113	100	100
Genova Mackmyra Holding AB	559130-7557	100	100
Genova Mackmyra Fastighet AB	556723-4520	100	100
Gävlesund Fastigheter AB	556610-1589	100	100
Genova Gåshaga AB	559018-9618	100	100
Genova Byggnad Holding AB	559004-5059	100	100
Genova Sicklaön Holding AB	556898-0436	100	100
Konkret Fastighetsutveckling i Nacka AB	556872-0931	100	100
Genova Baggensfjärden Holding AB	559064-1469	100	100
Genova Baggensfjärden Fastighet AB	556898-0121	100	100
Genova Knivsta 21:1 Holding AB	559118-9468	100	100
Knivsta Gredelby 21:1 AB	559120-3798	100	100
Knivsta Särsta 12:1 AB	556966-4450	100	100
Genova Sjöborren Holding AB	559130-7581	100	100
Genova Sjöborren AB	559076-9898	100	100
Genova Nyproduktion AB	556848-2813	100	100
Genova Bostad Projektutveckling AB	556864-9098	100	100
Genova Projekt Holding 1 AB	556948-7282	100	100

Genova Aromatic Holding AB	556948-7431	100	100
Genova Saltsjölundan Holding AB	556991-6165	100	100
Genova Rosendal Holding AB	556991-6140	100	100
Genova Rosendal Holding 1 AB	559100-6746	100	100
Genova Bostad AB	556759-5680	100	100
Genova 10 AB	556864-8108	100	100
Genova 4 AB	556848-2847	100	100
Genova Projekt Holding 2 AB	559026-1912	100	100
Genova Knivsta Holding AB	559025-2986	100	100
Genova Knivsta Fastighet AB	559025-1970	100	100
Genova Fålhagen Holding AB	559076-3008	100	100
Genova Fålhagen Holding 1 AB	559093-9624	100	100
Genova Projekt Holding 3 AB	559130-2731	100	100
Genova Produktion AB	559127-7792	100	100
Genova Parkering & Service AB	559003-4137	100	100
Genova PLM AB	556898-0329	100	100
Genova PMA Spain SL	N/A	100	100
Genova PLM 2 AB	559076-1515	100	100
Genova Can Olivier SL	N/A	100	100
Genova Hold 1 AB	559076-1549	100	100
Genova Fast 27 AB	559088-4101	100	100
Genova Hold 19 AB	559170-5800	100	100
Genova Hold 20 AB	559173-1558	100	100
Genova Fast 34 AB	559170-6089	100	100
Genova Hold 23 AB	559191-4345	100	100
Genova Hold 24 AB	559191-4378	100	100
Genova Hold 25 AB	559191-4386	100	100
Genova 14 AB	556948-7274	100	100
Genova 99 AB	559204-9406	100	100
Genova 98 AB	559204-9422	100	100
Genova Fast 43 AB	559220-2237	100	100

Table B: Subsidiaries where the Company exercises controlling influence			
Company	Reg. no	Capital holding as of 31 December 2019 (%)	Voting rights as of 31 December 2019 (%)
Genova Viby Holding AB	559213-0917	70	70
GenJärn Borås Holding AB	559076-2984	50	50
GenovaFastator Holding AB	559017-4057	50	50
GenovaRedito Holding AB	559121-8572	50	50

Since the Company is a holding company of the Group, the main business operations carried out by the Group are carried out by the Company's operating subsidiaries. The business operations carried out by the Group are described below.

Furthermore, since the majority of the revenue of the Group is derived from the Issuer's operational subsidiaries, the Issuer is dependent upon its subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.

Business model of the Group and objects of the Company

The Group's business model is to acquire, develop, build and manage properties and residential units in a sustainable and profitable way.

Business operations

The Group acquires, develops, builds and manages commercial properties and residential units primarily in the growing regions of Stockholm and Uppsala as well as certain other expansive regions in Sweden. In addition to equity, Genova's operations are largely financed by loans from credit institutions. As of the date of this Prospectus, the Company also has two outstanding bond loans maturing in 2021 (senior unsecured callable floating rate bonds 2017/2021 with ISIN SE0009779291) and in 2023 (senior unsecured callable floating rate bonds 2019/2023 with ISIN SE0013222593) respectively. The Issuer's senior unsecured callable floating rate bonds 2017/2021 with ISIN SE0009779291 will be redeemed in full as part of the Issuance of the Bonds,

The Group operates within two operating segments: investment properties and new construction. The investment property portfolio of the Group largely comprises commercial properties, retail stores, office buildings and warehouses and community service properties. The Group also owns properties with ongoing planning for future rental apartments combined with community service properties, mostly in new districts, and runs several development projects in various phases. As ongoing construction projects are gradually completed, residential and community service properties will account for a higher share of the investment property portfolio. As per 30 June 2020, the aggregated value of the Group's investment properties, properties under construction and development properties were approximately SEK 4,492 million.¹⁶

¹⁶ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p. 21.

At the end of the second quarter of 2020, the investment property portfolio comprised in total 45 investment properties with a market value of approximately SEK 3,930 million, distributed over approximately 168,000 square meters, mainly in the Greater Stockholm and the Uppsala region.¹⁷ The Group had at such time approximately 220 tenants with an average remaining rental duration of close to seven years. The three largest tenants together accounted for approximately 17 per cent. of rental income.¹⁸

The Group also operates new construction projects and has a building rights portfolio of 5,267 residential building rights as per 30 June 2020. The majority of these are located in Greater Stockholm and Uppsala and mainly comprises the Group's existing and let investment properties where the Group work together with municipalities to enable the conversion of these properties from mainly commercial space to residential units or community services.¹⁹

The Company owns 50 per cent. of the shares in four joint ventures, together with Fastator, Redito, Järngrinden and SBB. The joint ventures in turn own five properties with a total property value of SEK 906 million, of which the Company's share amounts to SEK 453 million. The properties, which are currently let, comprise a total of approximately 2,050 residential building rights (of which the Company's stake is 1,025) for the future development of residential units.²⁰

Share capital, shares and shareholder structure

According to the articles of association, the Company's share capital shall be not less than SEK 40,800,000 and not more than SEK 163,200,000 divided into not less than 34,000,000 shares and not more than 136,000,000 shares. As of the date of this Prospectus, the Company had an issued share capital of SEK 52,292,359.2 divided into 39,576,966 ordinary shares and 4,000,000 preference shares. The Company's shares are denominated in SEK. Each ordinary share carries one vote and has equal rights in the Company's assets and profits. Each preference share carries one tenth of a vote and has preferential rights to certain dividends as well as preferential rights to certain amounts in case of a winding-up of the Company. The ordinary shares were listed on Nasdaq Stockholm as of 30 June 2020. The preference shares were listed on Nasdaq Stockholm as of 12 June 2020 and were previously listed on Nasdaq First North Premier Growth Market as of 20 November 2015.

The former principal owners, Micael Bile and Andreas Eneskjöld are, via their respective companies, the Company's largest shareholders. The table below sets out the shareholder structure of the Company as of 30 June 2020.²¹

Shareholder		Number of ordinary shares	Number of preference shares	Share capital (%)	Voting rights (%)
1.	Micael Bile (via company)	19,999,999	140,000	58.00	64.31

¹⁷ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p. 9.

¹⁸ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p. 12.

¹⁹ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p. 2 and p 13.

²⁰ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p. 14.

²¹ The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p. 33.

2.	Andreas Eneskjöld (via company)	8,571,429	39,729	24.80	27.55
3.	Michael Moschewitz (via company)	2,150,538	22,298	6.26	6.92
4.	Avanza Pension	0	453,315	1.31	0.15
5.	RBC Investor Services Bank SA	0	300,000	0.86	0.10
6.	JRS Asset Management AB	0	217,922	0.63	0.07
7.	Nordnet Pensionsförsäkring AB	0	186,856	0.54	0.06
8.	Peter Lindell	0	100,000	0.29	0.03
9.	Swedbank Försäkring AB	0	87,289	0.25	0.03
10.	PEG Capital Partners	0	84,106	0.24	0.03
11.	AB Stena Metall Finans	0	80,000	0.23	0.03
12.	Futur Pension Försäkringsaktiebol ag	0	73,080	0.21	0.02
13.	Jessica Rahi	0	70,000	0.20	0.02
14.	Total other shareholders	0	2,145,405	6.18	0.69
Total		30,721,966	4,000,000	100.00	100.00

To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the Company. Having its shares traded at Nasdaq Stockholm, the Company also complies with the rules of such market place and the Swedish Corporate Governance Code (Sv. *Svensk kod för bolagsstyrning*).

Recent events

Since the end of the last financial period for which audited financial information has been published, the Group has made several acquisitions and disposals, the more material of which include: the acquisition of the properties Vaksala-Norrby 1:2 and 1:3, with a property value of around SEK 31.5 million (announced by way of press release on 3 January 2020); the disposal of the property Stapelbädden 3, with a property value of around SEK 400 million (announced by way of press release on 24 March 2020); the acquisition of the leasehold right for Skarpnäs 6:12, with a property value of around SEK 40 million (announced by way of press release on 27 March 2020); the acquisition of the property Flogsta 47:1, with a property value of around SEK 350 million (announced by way of press release on 20 May 2020); and the acquisition of the property Runö 7:146, with a property value of around SEK 20 million (announced by way of press release on 11 June 2020).

On 12 June 2020, the Company's preference shares were admitted to trading on Nasdaq Stockholm's Main Market. On 18 June 2020, the Company resolved on an offering to subscribe for and purchase ordinary shares in the Company, and a subsequent listing of the ordinary shares on Nasdaq Stockholm. The offering was over-subscribed and in total, including the over-allotment option that was exercised

on 10 July 2020, the proceeds of the offering amounted to approximately SEK 576 million before deduction of listing expenses.²²

In July, Peter Lövgren resigned from his position as Head of Business Development. In conjunction with this, Head of Properties Henrik Sandström assumed responsibility for Genova's business development.

In August, Genova and SBB jointly acquired and gained accession to Nackahusen Holding AB, holding six properties in Nacka Strand. The properties contain building rights of approximately 40,000 square metres and the parties assumed the existing bond loan of approximately SEK 360 million. The properties are owned through a joint venture, where the Company's investment commitment initially amounts to SEK 30 million, and is financed with own capital.

Except for the foregoing, the issuance of the Bonds and the listing of the shares of the Company, there have been no recent events, particular to the Company, since the end of the last financial period for which audited financial information has been published, which are to a material extent relevant to the evaluation of the Company's solvency.

Adverse changes and tendencies

As of 30 June 2020, the financial effects on the Group of the COVID-19 outbreak have been considered by the Company to be manageable. The Company has not needed to use the Swedish government's support for furlough schemes, give notice of termination or to terminate any employees. Nor has the company claimed tax relief, but has taken advantage of the possibility to reduce employer contributions for the financial period March through June 2020, that was available to all employers. Rent payments for the Company's tenants are however impacted and of the Group's annual rental income of SEK 228 million, 60 per cent. is due quarterly in advance, and 40 per cent. monthly in advance. The Company are engaged in discussions with tenants in relation to switching from quarterly rent payments to monthly payments. Of the adjusted rent receivable due for payment by 30 June 2020, 97 per cent. had been received by 15 July 2020, which is in line with the normal outcome.

Other than as described above and in the risk factors, there has been no significant change in the financial performance of the Company, since the end of the last financial period for which audited financial information has been published (31 December 2019). Furthermore, other than as described above and in the risk factors, there has been no significant change in the financial performance, market position or financial results of the Issuer, since the end of the last financial period for which audited financial information has been published (31 December 2019), or since the end of the last financial period for which financial information has been published (30 June 2020).

Interest of natural and legal persons involved in the bond issue

The Issuing Agent and the Bookrunners and/or its affiliates have engaged in, and may in the 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 Issuing Agent and the Bookrunners 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.

²² The information is derived from the Group's consolidated unaudited interim report for the financial period 1 January–30 June 2020, p. 3.

MANAGEMENT

The board of directors of the Company currently consists of seven members. The CEO and the CFO are responsible for the Company's ongoing management and operations, reports to the board of directors and are required to manage the operations in accordance with the board of directors' guidelines and instructions as well as provide the board with decision-aiding materials. The division of duties between the board of directors and the CEO follows from Swedish law and is set out in the rules of procedure for the board of directors and instructions for the CEO.

The board of directors and the senior management may be contacted through the Company at its head office at Genova Property Group AB (publ), Smålandsgatan 12, 111 46, Stockholm, Sweden. Information regarding the members of the board of directors and the senior management, including significant commitments outside the Company, which are relevant for the Company, is set out below.

The board of directors of the Company

Mikael Borg, member of the board since 2019 and chairman of the board.

Current commitments outside the Group: Lawyer, partner and board member of Gernandt & Danielsson Advokatbyrå AB and G&D Advokatbyrå AB.

Micael Bile, member of the board since 2011.

Current commitments outside the Group: Board member of Tranviks Udde AB (and assignments in subsidiaries).

Jan Björk, member of the board since 2015.

Current commitments outside the Group: Founder and partner of Redito. Board member of Trophi Fastighets AB (and assignments in subsidiaries), Chairman of the Board of Redito Holding AB (and assignments in subsidiaries), board member of BREIM AB and board member of Sinoma Fastighets AB.

Andreas Eneskjöld, member of the board since 2014.

Current commitments outside the Group: Board member of Manacor Capital AB and Manacor Group AB (and assignments in subsidiaries).

Erika Olsén, member of the board since 2017.

Current commitments outside the Group: Business developer at Areim AB. Board member of AOE Storön AB and deputy board member of Marigold AB.

Knut Ramel, member of the board since 2015.

Current commitments outside the Group: CEO of K. Ramel Advice AB. Chairman of the Board of Förslöv 2 AB and Löberöds Slott AB. Board member of Advicehem AB, Fastighets AB Orkesterdiket, Fastighets AB Riggerhus,

Fastighets AB Hammarskjöld, Fastighets AB Skepparhus, Fastighetsbolaget Majtalaren 5 AB, K . Ramle Advice AB, Senectus Flemmingsberg AB, Senectus Liljefors Torg AB, Senectus Tollare AB, Senectus Valla Gränd AB, Seniorkvarter Sollentuna AB, Tunk AB (and subsidiaries). Deputy board member of Ebba Brahe Jewellery AB.

Maria Rankka, member of the board since 2019.

Current commitments outside the Group: EVP Business Development and Communications i Takura AB and CEO of Ankkar & Friends AB. Chairman of the Board of Ethos International. Board member of Ankkar & Friends AB, Cirkör Aktiebolag, Internationella Engelska Skolan i Sverige AB and Internationella Engelska Skolan i Sverige Holdings II ABAB. Member of IVA and the Global Village Foundation.

Senior management of the Company

Michael Moschewitz, CEO since 2017.

Current commitments outside the Group: Board member of MayNoo AB.

Edvard Schéele, CFO since 2018.

Current commitments outside the Group: -

Conflicts of interests within administrative, management and control bodies

As of 30 June 2020, Micael Bile and Andreas Eneskjöld holds, via their respective companies, 58.00 per cent. of the share capital and 64.31 per cent. of the votes as well as 24.80 per cent. of the share capital and 27.55 per cent. of the votes, respectively in the Company. Thus, they have economic interests and a controlling influence over the Company, as applicable.

Certain board members and members of the management of the Company holds, direct or indirect shares in, or have assignments in, other entities on the Swedish real estate market. Thus, situation can arise where aforementioned persons may have interests that conflicts with the interest of the Group. In addition to the rules in 8 Chapter 23 Section of the Swedish Companies Act, the board members are required to report any conflict of interest as soon as it may have arisen pursuant to the rules of procedure for the board of directors.

Genova Bostad Projektutveckling AB entered into a consultancy agreement on 16 October 2016 with a company, Henrik Raspe Design AB, that is wholly owned by the Head of Project Development of the Company, Henrik Raspe, According to such consultancy agreement shall Henrik Raspe Design AB,

through Henrik Raspe, provide consultancy services within, *inter alia*, marketing. The remuneration pursuant to the consultancy agreements amounts to SEK 120,000 per month excluding VAT.

Except for as set out above, there is no member of the board or the management of the Company that has private interests that may conflict with the interest of the Company. Even though no current conflicts of interest may exist, it cannot be disregarded that conflicts of interests may arise between entities of which board members or members of the management of the Company have assignments, as described above, and the Company.

FINANCIAL INFORMATION

Historical financial information

The Group's consolidated annual reports for the financial years ended 31 December 2018 and 31 December 2019 have been incorporated in this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus.

The financial information for the financial years ended 31 December 2018 and 31 December 2019 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the financial information for the financial years ending 2018 and 2019 have been prepared in accordance with the Swedish Annual Accounts Act (Sv. *årsredovisningslagen (1995:1554)*) and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups.

The financial information for the financial years ended 31 December 2018 and 31 December 2019 have been audited by the Company's auditor. Other than the auditing of the Group's consolidated annual reports for the financial years ended 31 December 2018 and 31 December 2019, the Company's auditor has not audited or reviewed any other parts of this Prospectus.

Information in the documents below, which is not incorporated by reference, is either covered elsewhere in this Prospectus, or is deemed by the Company not to be relevant for investors in the Bonds.

The Group's consolidated annual report for the financial year ended 31 December 2019 is incorporated in this Prospectus by reference and is available at the Company's website <https://www.genova.se/investerare/finansiella-rapporter/>. For particular financial figures, please refer to the pages set out below.

	<i>Reference</i>	<i>Pages</i>
The Group's consolidated annual report for the financial year ended 31 December 2019. ²³	Group's consolidated income statement	95
	Group's consolidated balance sheet	96
	Group's consolidated changes in equity	97
	Group's consolidated cash flow statement	98
	The Company's income statement	99
	The Company's balance sheet	100

²³ <https://mb.cision.com/Main/13559/3073001/1219310.pdf>.

	The Company's changes in equity	101
	The Company's cash flow statement	102
	Notes (including accounting principles)	103-133
	Independent auditor's report	134-137

The Group's consolidated annual report for the financial year ended 31 December 2018 is incorporated in this Prospectus by reference and is available at the Company's website, <https://www.genova.se/investerare/finansiella-rapporter/>. For particular financial figures, please refer to the pages set out below.

	<i>Reference</i>	<i>Pages</i>
The Group's consolidated annual report for the financial year ended 31 December 2018. ²⁴	Group's consolidated income statement	87
	Group's consolidated balance sheet	88
	Group's consolidated changes in equity	89
	Group's consolidated cash flow statement	90
	The Company's income statement	91
	The Company's balance sheet	92
	The Company's changes in equity	93
	The Company's cash flow statement	94
	Notes (including accounting principles)	95-121
	Independent auditor's report	122-125

Auditing of the annual historical financial information

The Company's annual reports for the financial years ended 2018 and 2019 have been audited by Ernst & Young AB, with Henrik Nilsson as the auditor in charge. Ernst & Young AB has been the Company's auditor since 2008. At the annual general meeting held on 24 April 2020, Ernst & Young AB was re-elected as the Company's auditor, with Henrik Nilsson as the responsible auditor, until the next general meeting 2021. Henrik Nilsson is a member of FAR. The business address of Ernst & Young AB is Ernst & Young Aktiebolag, Jakobsbergsgatan 24, SE-111 44 Stockholm, Sweden.

Age of the most recent financial information

The most recent audited financial information derives from the Company's consolidated annual report for the financial year ended 31 December 2019, the publishing of which was announced by way of press release on 27 March 2020.

Legal and arbitration proceedings

The Company has not, during the previous twelve months, been involved in and is not aware of, any governmental, legal or arbitration proceedings that have had or may have significant effects on the Company's financial position or profitability. Nor is the Company aware of any such proceedings that

²⁴ <https://mb.cision.com/Main/13559/3073001/1219310.pdf>.

are pending or threatening and that could lead to the Company or any member of the Group becoming a part to such proceedings.

Significant changes

Other than the issuance of the Bonds on 9 September 2020, and as described under Sections “Recent events” and “Adverse changes and tendencies”, there has been no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published (30 June 2020).

OTHER INFORMATION

Clearing and settlement

The Bonds are connected to the account-based system of Euroclear Sweden AB, Swedish reg. no 556112-8074, P.O. Box 191, SE-101 23 Stockholm. This means that the Bonds are registered on behalf of the Holders on a securities account (Sv. *VP-konto*). No physical Bonds have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear's book-entry system.

Credit rating

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

Representation of the holders

Intertrust (Sweden) AB reg. no. 556625-5476, is acting as agent ("**Agent**") for the holders in relation to the Bonds, and if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions.

By acquiring Bonds, each subsequent bondholder confirms such appointment and authorisation for the Agent to act on its behalf, on the terms, including rights and obligations of the agent, set out in the Terms and Conditions. The Terms and Conditions are available at the agent's office address (Sveavägen 9, 111 57 Stockholm, Sweden) during normal business hours as well as at the Agent's website, <https://www.intertrustgroup.com/> and the Company's website, <https://www.genova.se/>.

Material agreements

Neither the Group, nor any of its associated entities have entered into any material agreements not in the ordinary course of its business and that may affect the Company's ability to fulfil its obligations under the Bonds.

Documents available for inspection

Copies of the following documents are available in paper format at the Company's head office during office hours, as well as at the Company's website, www.genova.se during the validity period of this Prospectus.

- The Company's articles of association and corporate registration certificate.
- The Terms and Conditions.
- The Group's consolidated annual report for the financial year ended 31 December 2019.
- The Group's consolidated annual report for the financial year ended 31 December 2018.

Interest of natural and legal persons involved in the bond issue

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

TERMS AND CONDITIONS FOR THE BONDS

**TERMS AND CONDITIONS FOR
GENOVA PROPERTY GROUP AB (PUBL)
MAXIMUM SEK 750,000,000
SENIOR UNSECURED CALLABLE FLOATING RATE
BONDS 2020/2024
ISIN: SE0014808820
LEI: 549300EJ67GY3FS4IN91**

First Issue Date: 9 September 2020

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

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

PRIVACY STATEMENT

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

The personal data collected will be processed by the Issuer, the Agent and the Issuing Agent for the following purposes:

- (a) to exercise its rights and fulfil their obligations under these Terms and Conditions and the Agency Agreement;
- (b) to manage the administration of the Bonds and payments under the Bonds;
- (c) to enable the Holders to exercise their rights under these Terms and Conditions; and
- (d) to comply with its obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent and the Issuing Agent in relation to items (a) to (c) above is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under these Terms and Conditions and the Agency Agreement. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with legal obligation incumbent on the Issuer, the Agent and/or the Issuing Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer, the Agent and the Issuing Agent (as applicable). In addition, data subjects have the right to:

- (a) request that personal data is rectified or erased;
- (b) object to specific processing;
- (c) request that the processing be restricted; and
- (d) receive personal data provided by themselves in machine-readable format.

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

The Issuer's, the Agent's and the Issuing Agent's addresses, and the contact details for their respective data protection officers (if applicable), are found on their respective websites: www.genova.se, www.intertrustgroup.com and www.nordea.se.

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1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

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

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

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

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

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

“**Book Equity**” means the consolidated equity according to the latest Financial Report of the Group, for the avoidance of doubt, also including any Subordinated Debt.

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

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

“Call Option Price” means:

- (a) if the Call Option is exercised before the First Call Date; (A) one hundred and two point twenty-five (102.25) per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date plus (B) the remaining interest payments (excluding accrued but unpaid interest up to the relevant Redemption Date) up to and including the First Call Date;
- (b) one hundred and two point twenty-five (102.25) per cent. of the Nominal Amount if the Call Option is exercised on or after the First Call Date up to (but not including) the date falling forty five (45) months after the First Issue Date;
- (c) one hundred and one point one hundred and twenty-five (101.125) per cent. of the Nominal Amount if the Call Option is exercised on or after the date falling forty five (45) months after the First Issue Date up to (but not including) the Final Redemption Date; or
- (d) 100.00 per cent. of the Nominal Amount if the Call Option is exercised on or after the date falling forty five (45) months after the First Issue Date up to (but not including) the Final Redemption Date provided that such early redemption is financed in full by way of the Issuer issuing Market Loan(s).

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

“Change of Control Event” means the occurrence of an event or series of events whereby one or more Persons (other than a Main Shareholder) acting together, acquire control over the Issuer and where **“control”** means (i) acquiring or controlling, directly or indirectly, more than fifty (50.00) per cent. of the votes of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“Compliance Certificate” means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing, or if it is aware that such event is continuing, or specifying the event and steps, if any, being taken to remedy it and:

- (a) if provided in connection with a Financial Report being made available, including calculations and figures in respect of the Maintenance Test, that the Maintenance

Test is met as per the relevant Reference Date or a Relevant Period (as applicable),
or

- (b) if provided in connection with a Subsequent Bond Issue, that the Maintenance Test is met calculated *pro forma* including the Subsequent Bond Issue.

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

“**De-listing Event**” A De-listing Event means the occurrence of an event or series of events whereby (i) the ordinary shares of the Issuer cease to be listed on Nasdaq Stockholm or trading of the Issuer’s listed ordinary shares on Nasdaq Stockholm is suspended for a period of fifteen (15) consecutive Business Days, or (ii) the Bonds (subsequent to having been admitted to trading pursuant to Clause 11.2 cease to be admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market on which the Bonds are admitted to trading, as applicable, and the CSD preventing trading in the Bonds in close connection with the redemption of the Bonds).

“**Development Properties**” means all Properties owned by any Group Company from time to time for property development purposes (Sw. *utvecklingsfastigheter*).

“**Equity Ratio**” means the ratio of Book Equity to Total Assets to be calculated in accordance with the Accounting Principles as applicable from time to time.

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

“**Existing Bonds 2017/2021**” means the Issuer’s outstanding senior unsecured callable floating rate bonds 2017/2021 with ISIN SE0009779291.

“**Existing Bonds 2019/2023**” means the Issuer’s outstanding senior unsecured callable floating rate bonds 2019/2023 with ISIN SE0013222593.

“**Final Redemption Date**” means 9 September 2024.

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease in accordance with the Accounting Principles as applicable on the First Issue Date; provided however that any leases treated as operating leases under the accounting principles applied by the Issuer as per 31 December 2018 shall not, regardless of any subsequent changes or

amendments of the accounting principles applied as per 31 December 2018 or of the Accounting Principles, be considered as finance or capital leases;

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

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to Clause 11.11 (a) and (b).

“**First Call Date**” means the date falling thirty six (36) months after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“**First Issue Date**” means 9 September 2020.

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

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

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

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

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

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

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 9.1 to 9.3.

“Interest Payment Date” means 9 March, 9 June, 9 September and 9 December each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 9 December 2020 and the last Interest Payment Date being the Final Redemption Date).

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

“Interest Rate” means a floating rate of STIBOR (3 months) plus four hundred and fifty (450) basis points *per annum*. No STIBOR floor is applicable but the Interest Rate shall, for the avoidance of doubt, never be less than zero (0).

“Investment Properties” means all Property constituting investment properties (Sw. *förvaltningsfastigheter*) owned by a Group Company from time to time.

“Issue Date” means the First Issue Date and any subsequent date when issuance of Subsequent Bonds takes place.

“Issuer” means Genova Property Group AB (publ), reg. no. 556864-8116, Smålandsgatan 12, SE-111 46, Stockholm, Sweden.

“Issuing Agent” means Nordea Bank Abp, reg. no. 2858394-9, Satamaradankatu 5. FI-00020 Nordea, Finland, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“Listing Failure Event” means a situation where (i) the Initial Bonds are not admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days following the First Issue Date (although the Issuer will use its best efforts to have the Initial Bonds admitted to trading within thirty (30) calendar days from the First Issue Date as well as any Subsequent Bonds within thirty (30) calendar days from such relevant Issue Date), or (ii) any Subsequent Bonds are not admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days following the relevant Issue Date (unless Subsequent Bonds are issued before the date falling sixty (60) calendar days after the First Issue Date in which case such Subsequent Bonds shall be admitted to trading within sixty (60) calendar days after the First Issue Date).

“Maintenance Test” is met if:

- (a) the Equity Ratio does not fall below twenty five (25.00) per cent.; and

(b) the Net Debt does not exceed seventy (70.00) per cent. of the Property Value.

“**Main Shareholders**” means Andreas Eneskjöld and Micael Bile, directly or indirectly through companies controlled by them and “**Main Shareholder**” means any one of them.

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

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

“**Material Group Company**” means the Issuer and any other Group Company representing more than five (5.00) per cent. of the total assets of the Group on a consolidated basis according to the latest Financial Report.

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

“**Net Debt**” means (i) the aggregate amount of all interest bearing obligations which according to the Accounting Principles shall be treated as debt less (ii) Subordinated Debt, cash in hand, immediately available funds and any other liquid marketable instruments or securities and other investments equivalent to cash, in each case of the Group according to the latest Financial Report.

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

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

“**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.

“**Preference Shares**” means preference shares (Sw. *preferensaktier*) issued by the Issuer from time to time on market terms or better.

“**Property**” means real property (Sw. *fast egendom*) owned by any Group Company from time to time.

“**Property Value**” means the aggregate of:

- (a) the market value (Sw. *marknadsvärde*) of all Investment Properties, according to the latest consolidated Financial Report (such market value to be based on the market value set out in the most recent Valuation Report (without material deviations therefrom not attributable to subsequent events from the date of the Valuation Report)), plus (i) the total consideration paid or to be paid for Investment Properties acquired since the date of such Financial Report minus (ii) the value attributable to Investment Properties disposed of since the date of such Financial Report; and
- (b) the acquisition value (Sw. *anskaffningsvärde*) of all Development Properties according to the latest consolidated Financial Report which, for the avoidance of doubt, includes any add-on investments made in such Development Properties.

“**Quotation Day**” means, in relation to (i) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the Issue Date), or (ii) any other period for which an Interest Rate is to be determined, two (2) Business Days before the first day of that period.

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

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

“**Reference Date**” means each of 31 March, 30 June, 30 September and 31 December of each year for as long as any Bonds are outstanding.

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

“**Relevant Period**” means each period of twelve (12) consecutive calendar months.

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

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

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

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

“**STIBOR**” means:

- (a) the Stockholm interbank offered rate for STIBOR fixing administered and calculated by Swedish Financial Benchmark Facility (or any other person which takes over the administration of that rate) for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period (before any correction, recalculation or republication by the administrator) as of or around 11.00 a.m. on the Quotation Day on page STIBOR= of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters;
- (b) if no rate as described in item (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates displayed on Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for STIBOR fixing (or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor;
- (c) if no rate as described in item (b) above 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
- (d) if no quotation is available pursuant to item (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Subordinated Debt**” means

- (a) any indebtedness of a Group Company treated as equity in accordance with the Accounting Principles, and/or
- (b) any indebtedness of the Issuer subordinated to the obligations of the Issuer under these Terms and Conditions and for which a creditor may not as long as any Bond remain outstanding;

- (i) demand or receive payment, prepayment or repayment of, or accept discharge by way of set-off, of any principal;
- (ii) demand or receive, or accept discharge by way of set-off, any interest after the occurrence of an Event of Default pursuant to these Terms and Conditions;
- (iii) receive or permit to subsist, any Security or other encumbrance, or receive or allow to subsist any financial support; or
- (iv) commence any proceedings against the Issuer or any Group Company in respect of the Subordinated Debt, including applying for enforcement of any amount outstanding or for liquidation or bankruptcy.

“**Subsequent Bond**” means any Bond issued after the First Issue Date on one or more occasions.

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

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

“**Total Assets**” means the consolidated aggregate book value of the Group’s total assets according to the latest Financial Report.

“**Transaction Costs**” means all fees, costs and expenses incurred by the Issuer (including any fees payable by the Issuer to the bookrunner(s) for the services provided in relation to the placement and issuance of the Bonds) in connection with (i) the Initial Bond Issue or a Subsequent Bond Issue and (ii) the admission to trading of the Bonds (including Subsequent Bonds) on the corporate bond list of Nasdaq Stockholm or any other Regulated Market.

“**Valuation Report**” means a valuation report prepared by a Valuer in accordance with the valuation methods generally applied by Swedish Property valuers setting out the market value of each Investment Property.

“**Valuer**” means any of CBRE, JLL Sweden, DTZ, Forum Fastighetsekonomi AB, Newsec AB, Savills Sweden AB or any other independent and reputable appraiser acceptable to the Agent.

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

1.2 **Construction**

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

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

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

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

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

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

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

2.1 The aggregate amount of the bond loan will be an amount of up to SEK 750,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,250,000 or full multiples thereof (the “**Nominal Amount**”). The total nominal amount of the Initial Bonds is SEK 400,000,000 (the “**Initial Bond Issue**”). All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.

2.2 The ISIN for the Bonds is SE0014808820.

2.3 The minimum permissible investment in connection with the Initial Bond Issue and any Subsequent Bond Issue is SEK 1,250,000.

2.4 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions (each such issue, a “**Subsequent Bond Issue**”), until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals

SEK 750,000,000, always provided that the Issuer provides the Agent with (i) a Compliance Certificate duly signed by the Issuer confirming that no Event of Default is continuing, or would result from the Subsequent Bond Issue and that the Maintenance Test is met, calculated *pro forma* including the Subsequent Bond Issue, and (ii) such other documents and information as is agreed between the Agent and the Issuer. Any Subsequent Bonds shall be issued subject to the same Terms and Conditions as the Initial Bonds. The price of Subsequent Bonds may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount.

- 2.5 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.6 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.7 By subscribing for Bonds, each initial Holder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Holder confirms these Terms and Conditions.

3. STATUS OF THE BONDS

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

4. USE OF PROCEEDS

The Net Proceeds shall be used to (i) firstly repurchase Existing Bonds 2017/2021 and/or redeem the Existing Bonds 2017/2021 in full and (ii) thereafter for general corporate purposes of the Group, including acquisitions of Investment Properties. The Net Proceeds from any Subsequent Bond Issue shall be used for the purposes set out in item (ii) above.

5. THE BONDS AND TRANSFERABILITY

- 5.1 Each Holder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 5.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 5.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.
- 5.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other

material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Holder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, e.g., its nationality, its residency, its registered address or its place(s) of business). Each Holder must ensure compliance with such restrictions at its own cost and expense.

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

6. BONDS IN BOOK-ENTRY FORM

- 6.1 The Bonds will be registered for the Holders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- 6.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.
- 6.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 6.4 For the purpose of or in connection with any Holders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 6.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Holders.
- 6.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.

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

7. RIGHT TO ACT ON BEHALF OF A HOLDER

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

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

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

8. PAYMENTS IN RESPECT OF THE BONDS

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

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

8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9.4 during such postponement.

8.4 If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such

payment was made to a Person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.

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

9. INTEREST

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

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

- 9.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

- 9.4 If the Issuer fails to pay any amount payable by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at a rate which is 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 Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day and if permitted under the CSD's applicable regulations, on the Business Day following from an application of the Business Day Convention, and otherwise on the first following Business Day) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

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

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

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

10.3.1 Provided that the Existing Bonds 2019/2023 have been redeemed in full, the Issuer may redeem all, but not only some, of the Bonds in full on any Business Day before the Final Redemption Date at the applicable Call Option Price together with accrued but unpaid Interest.

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

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

10.4.1 Upon a Change of Control Event, a De-listing Event or a Listing Failure Event occurring, each Holder shall have the right to request that all, or some only, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of thirty (30) calendar days following receipt of a notice from the Issuer of the relevant event pursuant to Clause 11.11(e). The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control Event, De-Listing Event or Listing Failure Event.

10.4.2 The notice from the Issuer pursuant to Clause 11.11(e) shall specify the repurchase date and include instructions about the actions that a Holder needs to take if it wants Bonds held by it to be repurchased. If a Holder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.11(e). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 10.4.1.

10.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 10.4, the Issuer shall

comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.4 by virtue of the conflict.

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

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

11. SPECIAL UNDERTAKINGS

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

11.1 Distributions

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

- (a) any Group Company if such Restricted Payment is made to a Group Company, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis;
- (b) the Issuer, in respect of dividend on Preference Shares; or
- (c) the Issuer, provided that the aggregate amount of all Restricted Payments of the Group in a financial year (including the Restricted Payment in question but excluding dividends on Preference Shares made in accordance with item (b) above, and any Restricted Payment made in accordance with item (a) above) does not exceed fifty (50.00) per cent. of the Group's consolidated management profit (Sw. *förvaltningsresultat*) attributable to ordinary shares, according to the annual audited financial statements for the previous financial year (and without accumulation of profits from previous financial years).

11.2 **Admission to trading**

The Issuer shall ensure that the Initial Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market, within six (6) months after the First Issue Date. Following an admission to trading of the Bonds, the Issuer shall use its best efforts to maintain such admission to trading for as long as any Bonds are outstanding (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market on which the Bonds are admitted to trading, and the CSD preventing trading in the Bonds in close connection to with the redemption of the Bonds).

11.3 **Nature of business**

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

11.4 **Market Loans**

The Issuer shall procure that no Group Company other than the Issuer issues any Market Loan. The Issuer shall not:

- (a) issue any Market Loans with scheduled or intended redemption, in full or in part, before the Final Redemption Date; or
- (b) create or permit to subsist any Security or guarantees in respect of Market Loans.

For the avoidance of doubt, the limitations set forth in this Clause 11.4 shall not apply to Market Loans issued by an acquired entity prior to such entity becoming a Group Company. The limitations set forth in (a) and (b) above shall not apply to any Subsequent Bond Issue.

11.5 **Disposals of assets**

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

11.5.2 The Issuer shall notify the Agent of any such transaction in accordance with Clause 11.5.1 above and shall, upon request by the Agent, provide the Agent with (i) any information relating to the transaction which the Agent deems necessary (acting reasonably), and (ii) a determination from the Issuer which states whether the transaction is carried out at fair market value and on terms and conditions customary for such transaction or not and whether

it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer in accordance with this Clause 11.5 is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.

11.5.3 The Agent is not responsible for assessing if the transaction is carried out at fair market value and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under item (ii) in Clause 11.5.2 above.

11.6 **Dealings with related parties**

The Issuer shall, and shall procure that the Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding when such shareholder is another Group Company) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

11.7 **Compliance with laws etcetera**

The Issuer shall, and shall procure that the other Group Companies:

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

11.8 **Management of Properties**

The Issuer shall, and shall procure that each other Group Company, keep the Properties in a good state of repair and maintenance, as will enable each Group Company owning a Property to comply in all material respects with the obligations under the relevant rental agreements and in accordance with all applicable laws and regulations.

11.9 **Insurance**

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

11.10 **Maintenance Test**

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

11.10.2 The Maintenance Test shall be tested quarterly on the basis of the interim Financial Report for the period covered by the relevant reference date on the basis of the Compliance Certificate delivered in connection therewith. The first test date for the Maintenance Test shall be 30 September 2020.

11.11 **Financial reporting etcetera**

The Issuer shall:

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

11.12 **Valuation of Properties**

The Issuer shall (at its own expense) procure that a Valuation Report is prepared semi-annually. A Valuation Report may not be older than six (6) months and shall be delivered to the Agent without delay after such report has become available. The Issuer is also obliged to procure that a new Valuation Report is prepared and delivered to the Agent (i) if the Issuer suspects that the market value of the Investment Properties has significantly declined since the most recent Valuation Report, and (ii) at the Agent's request, if the Agent suspects that the market value of the Investment Properties has significantly declined since the most recent Valuation Report.

11.13 **Agent Agreement**

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

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.

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

11.14 **CSD related undertakings**

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

12. TERMINATION OF THE BONDS

12.1 The Agent is entitled to, and shall following a demand in writing from a Holder (or Holders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a person who is a Holder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Holders, be made by them jointly) or following an instruction or decision pursuant to Clause 12.6 or 12.7, on behalf of the Holders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration), if:

- (a) **Non-payment:** The Issuer fails to pay an amount on the date it is due in accordance with these Terms and Conditions unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date;
- (b) **Other obligations:** The Issuer does not comply with:
 - (i) The Maintenance Test; or
 - (ii) these Terms and Conditions in any other way than as set out under item (a) or (b)(i) above, unless the non-compliance is (A) capable of being remedied and (B) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (c) **Cross-acceleration:**
 - (iii) Any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
 - (iv) any security interest securing Financial Indebtedness over any asset of any Group Company is enforced,
- (a) provided however that the amount of Financial Indebtedness referred to under item (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 25,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;
- (d) **Insolvency:**
 - (i) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness; or
 - (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;
- (e) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days

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

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

(i)

(f) **Mergers and demergers:**

- (i) A decision is made that any Material Group Company shall be merged or demerged into a company which is not a Group Company, unless such merger or demerger constitutes a permitted disposal of assets; or
- (ii) the Issuer merges with any other Person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity;

(g) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value equal to or exceeding SEK 25,000,000 and is not discharged within thirty (30) calendar days;

(h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable; or

(i) **Continuation of the business:** The Issuer or any other Material Group Company ceases to carry on its business, except if due to (i) a permitted merger or demerger as stipulated in Clause 12.1 (f) (*Mergers and demergers*) or (ii) a permitted disposal as stipulated in Clause 11.5 (*Disposals of assets*), provided it has a Material Adverse Effect.

12.2 The Agent may not terminate the Bonds in accordance with Clause 12.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not

- prevent termination for payment prematurely on the ground mentioned under Clause 12.1 (d) (*Insolvency*).
- 12.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 12.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 12.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 12.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 12.1 and provide the Agent with all documents that may be of significance for the application of this Clause 12.
- 12.5 The Issuer is only obliged to inform the Agent according to Clause 12.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm (or any other Regulated Market, as applicable). If such a conflict would exist pursuant to the listing contract with Nasdaq Stockholm (or any other Regulated Market, as applicable) or otherwise, the Issuer shall however be obliged to either seek the approval from Nasdaq Stockholm (or any other Regulated Market, as applicable) or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 12.4.
- 12.6 If the Agent has been notified by the Issuer or has otherwise determined that there is a default under these Terms and Conditions according to Clause 12.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or determination, the Holders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or determination, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Holders that there exists a right of termination and obtain instructions from the Holders according to the provisions in Clause 14 (*Decisions by Holders*). If the Holders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Holders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 12.7 If the Holders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 14 (*Decisions by Holders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to

take action if the Agent considers cause for termination not to be at hand, unless the instructing Holders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.

12.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 12, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.

12.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 12 without relevant decision by the Agent or following instructions from the Holders' pursuant to Clause 14 (*Decisions by Holders*).

12.10 If the Bonds are declared due and payable in accordance with this Clause 12, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Price together with accrued but unpaid Interest.

13. DISTRIBUTION OF PROCEEDS

13.1 If the Bonds have been declared due and payable in accordance with Clause 12 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) other costs, expenses and indemnities relating to the termination of the Bonds or the protection of the Holders' rights, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Holders' Meeting or a Written Procedure;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds;
and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under these Terms and Conditions.

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

- 13.2 If a Holder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 13.1, such Holder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 13.1.
- 13.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Holders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.
- 13.4 If the Issuer or the Agent shall make any payment under this Clause 13, the Issuer or the Agent, as applicable, shall notify the Holders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 8.1 shall apply.

14. DECISIONS BY HOLDERS

- 14.1 A request by the Agent for a decision by the Holders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Holders' Meeting or by way of a Written Procedure.
- 14.2 Any request from the Issuer or a Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Holder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Holders, be made by them jointly) for a decision by the Holders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Holders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Holders' Meeting than by way of a Written Procedure, it shall be dealt with at a Holders' Meeting.
- 14.3 The Agent may refrain from convening a Holders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Holders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 14.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 7 (*Right to act on behalf of a Holder*) from a Person who is, registered as a Holder:
- (a) on the Record Date prior to the date of the Holders' Meeting, in respect of a Holders' Meeting, or

- (b) on the Business Day specified in the communication pursuant to Clause 16.3, in respect of a Written Procedure,

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

14.5 The following matters shall require consent of Holders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3:

- (a) waive a breach of or amend an undertaking set out in Clause 11 (*Special undertakings*);
- (b) a mandatory exchange of Bonds for other securities;
- (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
- (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
- (e) amend the provisions in this Clause 14.5.

14.6 Any matter not covered by Clause 14.5 shall require the consent of Holders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Holders are voting at a Holders' Meeting or for which Holders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 17.1 (a), (b) or (c)) or a termination of the Bonds.

14.7 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Holders' Meeting or the Agent in a Written Procedure, will prevail. The chairman at a Holders' Meeting shall be appointed by the Holders in accordance with Clause 14.6.

14.8 Quorum at a Holders' Meeting or in respect of a Written Procedure only exists if a Holder (or Holders) representing at least twenty (20.00) per cent., or, if the matter to be resolved on requires the consent of a qualified majority of at least two thirds (2/3) to be passed, fifty (50.00) per cent., of the Adjusted Nominal Amount:

- (a) if at a Holders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or

(b) if in respect of a Written Procedure, reply to the request.

- 14.9 If a quorum does not exist at a Holders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Holders' Meeting (in accordance with Clause 15.1) or initiate a second Written Procedure (in accordance with Clause 16.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Holders' consent. The quorum requirement in Clause 14.8 shall not apply to such second Holders' Meeting or Written Procedure.
- 14.10 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 14.11 A Holder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 14.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Holders that consent at the relevant Holders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 14.13 A matter decided at a duly convened and held Holders' Meeting or by way of Written Procedure is binding on all Holders, irrespective of them being present or represented at the Holders' Meeting or responding in the Written Procedure. The Holders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Holders.
- 14.14 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Holders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 14.15 If a decision shall be taken by the Holders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 14.16 Information about decisions taken at a Holders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Holders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Holders' Meeting or Written

Procedure shall at the request of a Holder be sent to it by the Issuer or the Agent, as applicable.

15. HOLDERS' MEETING

- 15.1 The Agent shall convene a Holders' Meeting by sending a notice thereof to each Holder no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons). If the Holders' Meeting has been requested by the Holder(s), the Agent shall send a copy of the notice to the Issuer.
- 15.2 Should the Issuer want to replace the Agent, it may convene a Holders' Meeting in accordance with Clause 15.1 with a copy to the Agent. After a request from the Holders pursuant to Clause 18.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Holders' Meeting in accordance with Clause 15.1.
- 15.3 The notice pursuant to Clause 15.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Holders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Holders' Meeting. Should prior notification by the Holders be required in order to attend the Holders' Meeting, such requirement shall be included in the notice.
- 15.4 The Holders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 15.5 If the Agent, in breach of these Terms and Conditions, has not convened a Holders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Holders' Meeting itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD and, if no Person to open the Holders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.
- 15.6 At a Holders' Meeting, the Issuer, the Holders (or the Holders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Holders' Meeting. The Holders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Holders' Meeting instead of the Holder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Holder.
- 15.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Holders' Meeting as the Agent

may deem appropriate. Such regulations may include a possibility for Holders to vote without attending the meeting in person.

16. WRITTEN PROCEDURE

- 16.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Holder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Holder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Holder(s), the Agent shall send a copy of the communication to the Issuer.
- 16.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 16.1 to each Holder with a copy to the Agent.
- 16.3 A communication pursuant to Clause 16.1 shall include (i) each request for a decision by the Holders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Holder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 16.1), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Holder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 16.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 16.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Holder, the Issuer shall upon request from such Holder provide the Holder with necessary information from the register kept by the CSD.
- 16.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 14.5 and 14.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 14.5 or 14.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Holders) may agree to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Holders, or is made solely for the purpose of rectifying obvious errors and mistakes;

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

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

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

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

18. APPOINTMENT AND REPLACEMENT OF THE AGENT

18.1 Appointment of Agent

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

18.1.2 Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Holder which does not comply with such request.

- 18.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions.
- 18.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agent Agreement, and the Agent's obligations as agent under these Terms and Conditions are conditioned upon the due payment of such fees and indemnifications.
- 18.1.5 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- 18.2 **Duties of the Agent**
- 18.2.1 The Agent shall represent the Holders in accordance with these Terms and Conditions. However, the Agent is not responsible for the execution or enforceability of these Terms and Conditions. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.
- 18.2.2 Upon request by a Holder, the Agent shall promptly distribute to the Holders any information from such Holder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Holder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Holder disclose the identity of any other Holder who has consented to the Agent in doing so.
- 18.2.3 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 18.2.4 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under these Terms and Conditions.
- 18.2.5 The Agent shall treat all Holders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Holders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in these Terms and Conditions and the Agent Agreement.
- 18.2.6 The Agent shall be entitled to disclose to the Holders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Holders delay disclosure or refrain

from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

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

18.3 **Limited liability for the Agent**

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

detrimental to the interests of the Holders to delay the action in order to first obtain instructions from the Holders.

18.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Holders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

18.3.4 The Agent shall have no liability to the Holders for damage caused by the Agent acting in accordance with instructions of the Holders given in accordance with Clause 14 (*Decisions by Holders*).

18.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Holders under these Terms and Conditions.

18.4 **Replacement of the Agent**

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

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

18.4.3 A Holder (or Holders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Holder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Holders, be given by them jointly), require that a Holders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Holders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Holders that the Agent be dismissed and a new Agent appointed.

18.4.4 If the Holders have not appointed a successor Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Holders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

18.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably

request for the purposes of performing its functions as Agent under these Terms and Conditions.

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

19. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

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

20. APPOINTMENT AND REPLACEMENT OF THE CSD

- 20.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 20.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Holder or the admission to trading of the Bonds listed on the corporate

bond list of Nasdaq Stockholm (or any other Regulated Market). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (Sw. *lag (2007:528) om värdepappersmarknaden*).

21. NO DIRECT ACTIONS BY HOLDERS

21.1 A Holder may not take any action or take any legal steps whatsoever against the Issuer or a Subsidiary to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, administration, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or a Subsidiary in relation to any of the liabilities of the Issuer under these Terms and Conditions. Such steps may only be taken by the Agent.

21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Holders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Holder to provide documents in accordance with Clause 18.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agent Agreement or by any reason described in Clause 18.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.11 before a Holder may take any action referred to in Clause 21.1.

21.3 The provisions of Clause 21.1 shall not in any way limit an individual Holder's right to claim and enforce payments which are due to it under Clause 10.4 (*Mandatory repurchase due to a Change of Control Event, a De-listing Event or a Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Holders.

22. TIME-BAR

22.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been time-barred and has become void.

22.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to the right to receive payment of Interest (excluding capitalised Interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

23. NOTICES AND PRESS RELEASES

23.1 Notices

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

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

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

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

23.2 Press releases

23.2.1 Any notice that the Issuer or the Agent shall send to the Holders pursuant to Clauses 10.3, 10.4, 11.11(e), 12.6, 13.4, 14.16, 15.1, 16.1, 17.1.2, 18.2.11 and 18.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

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

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

24. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 24.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 24.2 The Issuing Agent shall have no liability to the Holders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 24.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 24.4 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

25. GOVERNING LAW AND JURISDICTION

- 25.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 25.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 25.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 25.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Holders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.
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ADDRESSES

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