

Prospectus regarding the admission to trading
on the Corporate Bond List of
Nasdaq Stockholm
of SEK 400 000 000
SENIOR UNSECURED BONDS
July 2020/July 2023 series no 4

M2 Asset Management AB (publ)

ISIN: SE0014557922

2020-09-21

The validity of this Prospectus will expire up to 12 months after the date of approval. The Issuer's obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") has been prepared by M2 Asset Management AB (publ) (reg. no. 556559-3349) ("**M2**", the "**Company**" or together with its direct and indirect subsidiaries depending on the context, the "**Group**" or the "**M2 Group**") in relation to the application for admission to trading of bonds issued under the Company's maximum SEK 2,000,000,000 senior unsecured bonds 2020/2023 with ISIN SE0014557922 (the "**Bonds**"), on the Corporate Bond List at Nasdaq Stockholm AB ("**Nasdaq Stockholm**").

The Company issued an initial bond of SEK 200,000,000 on 10 July 2020 (the "**Initial Bond Issue**"). A prospectus for the admission to trading on Nasdaq Stockholm of the loan constituted by the Initial Bond Issue was published on August 13, 2020. Subject to the terms and conditions (the "**Terms and Conditions**"), the Company may at one or more occasions after the Initial Bond Issue issue subsequent bonds ("**Subsequent Bond Issues**") until the total amount under any Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 2,000,000,000. On 11 September 2020 the Company has issued subsequent bonds of SEK 400 000 000 ("**The First Subsequent Bond Issue**"). For the avoidance of doubt, this Prospectus has been prepared for the purpose of admitting the loan constituted by the First Subsequent Bond Issue for trading at Nasdaq Stockholm. Nordea Bank Abp (reg. no. 2858395-9) has acted as bookrunner and issuing agent (the "**Issuing Agent**").

Terms and definitions used in this Prospectus have the same meaning as in Section 11 "Terms and Conditions for the Bonds" unless otherwise expressly stated in this Prospectus.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) (the "**SFSA**") as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus.

The Prospectus has been prepared for admission of the loan constituted by the Bonds for trading at Nasdaq Stockholm and does not constitute at any part an offer by M2 for subscription or purchase of the Bonds. The Prospectus is governed by Swedish law. Disputes regarding this Prospectus shall be exclusively governed by Swedish law and settled by the Swedish courts exclusively. The Prospectus may not be distributed in any jurisdiction where such distribution or sale would require any additional prospectus, registration or other measures than those required by Swedish law or otherwise would conflict with regulations in such jurisdiction. Holders of the Prospectus or Bondholders must therefore inform themselves about, and observe any such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 as applicable at any time, or under any U.S. state securities legislation. Furthermore, M2 has not registered the Bonds under the securities legislation of any other country. The Bondholder may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject.

The Prospectus, including the documents incorporated by reference (see Section 10 "Documents incorporated by reference" below) as well as any supplements to the Prospectus, may contain statements regarding the prospects of M2 made by the board of directors. Such statements are based on the board of directors' knowledge of current circumstances regarding M2's business, the market conditions, the current global environment in which M2 operates and other prevailing external factors. The reader should observe that forward-looking statements always are associated with uncertainty. An investment in the Bonds is associated with risks and risk taking. Anyone considering investing in the Bonds is therefore encouraged to carefully study the Prospectus, in particular Section 1 "Risk factors". Each potential investor in the Bonds must decide upon the suitability of an investment in the light of their own circumstances.

Solely for the purpose of the Issuing Agent's (for the purposes of this paragraph, the "manufacturer") product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturer's target assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

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.

The Prospectus will be available via the websites of the SFSA (<https://www.fi.se/sv/vara-register/prospektregistret/>) and M2 (<https://m2assetmanagement.se/prospekt/>). Paper copies may be obtained from M2. The information on the websites does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

The figures in this Prospectus do not always sum up correctly due to being rounded off in order to facilitate the reading of the Prospectus.

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Definitions

M2, the M2 Group, the Group or the Company	M2 Asset Management AB (publ), registration number 556559-3349, with or without subsidiaries depending on the context.
The Bonds	Refers to the bonds issued within bond loan 2020/2023, up to SEK 2,000,000,000, ISIN: SE0014557922.
Nasdaq Stockholm	Nasdaq Stockholm AB or such other regulated market conducted by Nasdaq Stockholm.
The Prospectus	This prospectus prepared in relation to M2's admission to trading of the Bonds on the Corporate Bond List on Nasdaq Stockholm.
SEK	Refers to Swedish kronor.
Terms and Conditions	Refers to the terms and conditions for the Bonds.

Definitions and terms used in this Prospectus have the same meaning as in Section 11 "Terms and Conditions for the Bonds" unless otherwise expressly stated above or elsewhere in this Prospectus.

1 RISK FACTORS

In this section a number of risk factors are described, both risks attributable to M2's and the Group's market risks, business risks, financial risks and legal risks as well as risks relating to the Bonds.

Investing in the Bonds involve inherent risks. Potential investors should prior to making an investment decision carefully consider the risk factors deemed to be of importance for the Group and the future performance of the Bonds. The risk factors are presented in categories and where a risk factor may be categorised in more than one category, such risk factor appears only once in the most relevant category for such risk. The risk factors which are deemed most material by M2, based on the probability of their occurrence and the expected magnitude of their negative impact, are presented first under the respective category. The assessment of the materiality of each risk factor has been determined on the basis of a qualitative ordinal scale (low/medium/high) based on the probability of their occurrence and the expected magnitude of their negative impact on the Group's activities, financial position and results. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence.

1.1 Risk factors specific and material to M2 and the Group

1.1.1 Market risks

Inflation and interest risk

The Group operates in the real estate and development market in Sweden, which to a large extent is affected by macroeconomic factors such as the level of production of new premises, changes in infrastructure and population growth. Economic growth in turn affects the employment rate, which is an essential basis for supply and demand on the rental market and consequently impacts vacancy rates and rental levels.

Furthermore, inflation expectations have an impact on the interest rate and thus affect the net interest income for the M2 Group and from its financial holdings in Castellum AB (publ), Corem Property Group AB (publ), Klöver AB (publ) and AB Sagax (publ) (the "**Financial Holdings**"). The M2 Group's business is mainly financed, in excess of equity and working capital related to non-interest bearing liabilities, by borrowings from credit institutions and the bond market. Interest expenses are therefore one of the Group's main cost items and the Group's debt-to-equity ratio (total liabilities divided by total book value) as of 30 June 2020 amounted to 46.3 per cent. Interest expenses are mainly affected by, besides the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Group's strategy regarding interest rate fixation periods. Adverse changes of interest rates would negatively affect the Group's financial costs and earnings and in turn the performance of M2 under its loans. M2 deems that the probability of unexpected increases in interest rate costs occurring is *medium*. If the risks would materialize, M2 considers the potential impact to be *high*.

Covid-19

The outbreak of Covid-19, which first emerged in Wuhan in China in December 2019, is considered as a pandemic by the World Health Organization. The Covid-19 has, and will continue to have, a major

impact on the markets where M2 operates. M2 is primarily affected indirectly, by the direct and indirect effect of the Covid-19 on the macroeconomic development on the real estate and development markets where M2 operates. The Covid-19 has led to a major slowdown in the economic growth during the first half of 2020, both due to the spread of the virus itself, as well as due to political decisions enacted in order to try to prevent the virus from spreading. The effects of the Covid-19 outbreak may affect M2's tenants, which in turn can affect M2 by demands for decreased rental levels, increased vacancy rates and a decrease in rental income for the M2 Group. An increased financial uncertainty due to the Covid-19 outbreak may also impair the possibility to obtain necessary financing. The effects of the Covid-19 outbreak has had, and will probably for the nearest future continue to have, an impact on the stock market which may entail unforeseen price fluctuations of the Financial Holdings. M2 deems the probability of the risks connected to Covid-19 materializing to be *high*. If the risks would materialize, M2 considers the potential impact to be *medium*.

1.1.2 Business risks

Rental income and rental development

The M2 Group's operations include commercial properties, construction and property development as well as strategic investments in larger real estate companies such as the Financial Holdings. The M2 Group's rental income, directly as well as indirectly through dividends from the Financial Holdings, is affected by the vacancies of the properties, contract rental rates and the tenants paying their rents on time. The M2 Group is not dependent on any single large tenant but a general decrease in market occupancy rates and market rental rates would negatively affect M2 Group's possibilities to sustain current revenue and cash flow levels over a long period of time, which could have a negative impact on the M2 Group's financial position, asset valuation and earnings. M2 deems that the probability of large fluctuations and increases in vacancies, decreases in market rental rates or any other loss of income or dividend from the Financial Holdings is *low*. If the risks would materialize, M2 considers the potential impact to be *high*.

Risks relating to the Arnia Holding AB acquisition

On 9 December 2019 M2 announced its intention to acquire 100 per cent of the shares in Arnia Holding AB and the acquisition was finalized on 31 December 2019. There is a risk that some or all of the expected benefits and anticipated synergies of the acquisition, such as cost savings and increased financial stability, may not be realized. Furthermore, there is a risk that M2 may not have identified all of the risks related to the acquisition, such as environmental risks and thereto related sanitation costs. Any such event could have a negative impact on the anticipated business and profit of the M2 Group as delays and/or an increase in project costs may occur. M2 deems the probability of such risks materializing to be *low*. If the risks would materialize, M2 considers the potential impact to be *high*.

Changes in value of properties

The M2 Group's real estate investments are recorded in the balance sheet at actual value and the value changes are recorded in the income statement. The M2 Group performs a valuation of the entire property holdings and the Financial Holdings quarterly. Valuations are performed according to schedule where both external valuation as well as valuation by the M2 Group itself is carried out. This means that

normally each property in the portfolio is valued externally over a rolling 36-month period. The M2 Group's properties' loan to value ratio was 30.6 per cent as of 30 June 2020. There is a risk that the valuation frequency and coverage may change in the future which could result in that value becomes more difficult to estimate for an investor, a financing counterparty or any third party interested in the valuation of the M2 Group's properties.

The value of the M2 Group's properties is affected by a number of factors, partly by property specific factors such as renting levels, rental rates and operating costs and partly by market specific factors such as yield demands and cost of capital that are derived from comparable transactions on the real estate market. Property related deteriorations such as lower rental income and increased vacancies, as well as market specific factors such as demand for higher return on investments can cause the M2 Group to write down the actual value of its investment properties, which could have a negative impact on the M2 Group's business, financial position and earnings. Furthermore a deterioration in the value of properties could cause a breach of the financial undertakings in the M2 Group's various financial obligations which could lead to the loans being accelerated, leading to immediate repayment or result in the creditor's enforcement of the pledged assets.

M2 deems the probability of such risks materializing to be *medium*. If the risks would materialize, M2 considers the potential impact to be *medium*.

Projects and developments

The operations of the M2 Group also comprise property development projects, specifically within Wästbygg Gruppen AB and its subsidiaries (the "**Wästbygg Group**"). When developing property, certain risks arise. Larger projects may entail major investments which may lead to an increased credit risk should tenants be unable to fulfil their obligations towards the M2 Group, and the M2 Group in turn would be unable to find other tenants for the premises in question, or should the demand or the price for the property decrease during the project.

When planning and budgeting for a construction project it is essential that the basis for calculation is complete and correct. Assumptions are made in relation to costs and revenues, as well as the ability of partners to perform in accordance with contracts. Projects may be delayed or may entail higher costs than foreseen which may lead to increased costs or decreased earnings.

When entering into construction agreements, the Wästbygg Group regularly issues construction guarantees as customary when carrying out construction work. Should a project entail that the Wästbygg Group needs to make use of an issued guarantee, this will lead to increased costs or decreased earnings in relation to the project at hand.

In the event of the abovementioned risks are materialized, it could have a negative impact on the valuation of the M2 Group's assets as well as the Group's earnings and profitability. M2 deems the probability of such risks materializing to be *high*. If the risks would materialize, M2 considers the potential impact to be *low*.

Securities trading

M2 owns shares and bonds that are listed and traded on regulated markets or multilateral trading facilities, and trading in such securities are carried out within the M2 Group. The trading entails calculated risks in order to receive a high return. Such investments and trading activities are carried out by a limited number of people within the M2 Group and are exposed to price fluctuations in the markets. There is a risk that the individuals responsible for the trading commit errors, or that M2 is affected by unforeseen price fluctuations in the stock market. Errors or unforeseen price fluctuations may have a negative effect on M2's profit as well as the value of M2's assets and thus indirectly affect the value and the credit-worthiness of the M2 Group, which in turn may entail higher costs of borrowing capital. M2 deems the probability of such risks materializing to be *medium*. If the risks would materialize, M2 considers the potential impact to be *high*.

Employees and subcontractors

The M2 Group's employees' knowledge, experience and commitment are important for the M2 Group's future development. The M2 Group would be affected negatively if a number of its employees would leave the M2 Group at the same time, or if a number of key employees would leave.

The Wästbygg Group carries out construction work by having their own management on site as project leaders and support, while the actual construction work mainly is carried out by subcontractors. Efficient project management is essential to the success of the construction projects of the Wästbygg Group.

Should the project management of the Wästbygg Group fail, or should the Wästbygg Group not be able to find competent subcontractors, construction projects of the Wästbygg Group could be delayed. There is a risk that extensive project delays may entail customer's enforcing claims of liquidated damages or price reductions on certain projects, which could have a negative impact on the M2 Group's profitability. M2 deems the probability of such risks materializing to be *medium*. If the risks would materialize, M2 considers the potential impact to be *low*.

Competition

The M2 Group acts in an industry that is exposed to competition. The M2 Group's future competitive opportunities are dependent on, *inter alia*, the M2 Group's ability to be at the forefront and respond quickly to existing and future market needs. On the various markets where the Wästbygg Group is present there is a high demand for buildable land. The Wästbygg Group regularly competes for land allocation for housing purposes as well as commercial or logistics projects. Increased competition could lead to Wästbygg Group not being able to receive land allocations at a reasonable price which could have a negative impact on the profitability of the M2 Group. M2 deems the probability of such risks materializing to be *medium*. If the risks would materialize, M2 considers the potential impact to be *medium*.

1.1.3 Financial risks

Financial obligations and guarantees

The M2 Group has obtained financing through construction loans, bank loans secured by the M2 Group's properties, shares in subsidiaries and, in some cases, security over securities deposits

containing, *inter alia*, the Financial Holdings, and from the capital market. The M2 Group has issued guarantees for some loans. Credit agreements may include financial obligations regarding, for example, ownership of the companies being parties to such credit agreements (change of control provisions), or other financial covenants such as loan to value ratio and equity ratio. If such provisions are breached by the M2 Group, it could lead to the loans being accelerated, leading to immediate repayment or result in the creditor's enforcement of the pledged assets. Should the M2 Group be in breach of the financial covenants set out in certain credit agreements, the credit institutions are entitled to accelerate the underlying loans and this could result in other loan agreements (through cross default provisions) being cancelled for immediate repayment or in the collateral being taken over by the credit institution/s concerned. If such events were to materialize there is a risk that the M2 Group will not be able to obtain necessary financing, or that such financing could only be obtained at significantly increased costs. Furthermore, such events could lead to a necessary liquidation of part or whole of the M2 Group's Financial Holdings, or revisions to the M2 Group's current strategy. The realization of any of the above would have a negative impact on the valuation of the M2 Group's assets and the M2 Group's profitability. M2 deems the probability of such risks materializing to be *low*. If the risks would materialize, M2 considers the potential impact to be *high*.

1.1.4 Legal and environmental risks

Holding company risks

M2 is dependent on its subsidiaries and other investments, especially the Financial Holdings, in order to receive dividend income. M2's ability to make required payments of interest on its debts and funding is affected by the ability of its subsidiaries and other investments to transfer available funds to it, and hence M2 is dependent on its subsidiaries to fulfil its obligations under the Bonds. The transfer of funds to M2 from its subsidiaries or other investments may be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiary or investment. Additionally, the Group companies are separate legal entities and have no obligations to fulfil M2's obligations towards its creditors. If the subsidiaries or other investments, such as the Financial Holdings, do not provide dividend income, or due to other circumstances, conditions, laws or other regulations, are prevented from providing liquidity to M2, there is a risk that M2 will not be able to fulfil its obligations under the Bonds. M2 deems the probability of such risks materializing to be *low*. If the risks would materialize, M2 considers the potential impact to be *medium*.

Taxation risks

The M2 Group's operations are affected by the tax rules in force, from time to time, in Sweden. Since these rules have historically been subject to frequent changes, further changes are expected in the future (potentially with retroactive effect). Such changes could have a significant negative impact on the M2 Group's business, financial position and earnings.

For example, the Swedish Parliament adopted on 14 June 2018 new Swedish interest deduction limitation rules. The new rules are based on the EU Directive 2016/1164 that lays down rules against tax avoidance practices that directly affect the functioning of the internal market. Under the new Swedish rules, a general limitation for interest deductions in the corporate sector is introduced by way of an EBITDA-rule. Under the EBITDA-rule, net interest expenses, i.e. the difference between the taxpayer's

interest income and deductible interest expenses, are only deductible up to 30 per cent of the taxpayer's EBITDA for tax purposes. The rules entered into force 1 January 2019. Since the M2 Group's operations are capital intensive and financing costs such as interest expenses constitute a significant current cost in the M2 Group's operations, the new rules may have a negative impact on the M2 Group's business, financial position and earnings.

Also, in June 2015 the Swedish Government appointed a committee to analyze the possibility to divest properties through tax exempt disposals of shares in companies holding properties and, if considered necessary, to propose new legislation to prevent such transactions. The investigation also reviewed whether acquisitions through land parceling procedures are being abused to avoid stamp duty. The result of the review was presented by the committee in March 2017. The committee's main proposal is that upon a change of control in a company holding assets that mainly consist of properties, the properties will be considered as divested and re-acquired for a price corresponding to the market value of the properties. The divested real estate company should also report a taxable notional income (instead of stamp duty) corresponding to 7.09 per cent of the highest amount of the market value and the tax assessment value of the properties. Further, stamp duty is proposed to be introduced on acquisitions of properties by land parceling procedures. It is currently unclear if, and to what extent, the proposals will result in new legislation. If any of the proposals are enacted, it could lead to a tax increase of the M2 Group which would negatively impact the M2 Group's profitability..

M2 deems the probability of such risks materializing to be *low*. If the risks would materialize, M2 considers the potential impact to be *high*.

Lawsuits, investigations and proceedings

The M2 Group and its sub-group companies may be adversely affected by disputes, litigation, unexpected costs or other effects of legal and administrative proceedings and investigations, by regulatory bodies or other bodies. In the event that the Group is forced to pay fines, damages or other compensation as a result of lawsuits, investigations or proceedings significant costs may be incurred to the Group. Moreover, disputes or claims can be time consuming and costly in itself.

Within the M2 Group, the sub-group of companies under the Wästbygg Group, is as a result of the general character of carrying out construction work involved in disputes in relation to projects completed and services carried out. The Wästbygg Group is in particular involved in one dispute relating to the performance under a construction agreement. The dispute is on-going and complicated. Should the court rule against the Wästbygg Group in the specific dispute, this may have a negative impact on the M2 Group's business, financial position and earnings.

A negative outcome in lawsuits, investigations or proceedings would have a negative impact on the M2 Group's operational costs and profitability. M2 deems the probability of such risks materializing to be *medium*. If the risks would materialize, M2 considers the potential impact to be *low*.

Working environment

Construction work may entail a work environment with a high risk for accidents and personal injuries for individuals working on site. Should the Wästbygg Group fail in following relevant laws and regulations relating to work environment as well as implementing and follow efficient work environment policies, this

could lead to accidents that entails increased costs and decreased profitability of the Wästbygg Group and the M2 Group. M2 deems the probability of such risks materializing to be *medium*. If the risks would materialize, M2 considers the potential impact to be *medium*.

1.2 Risks related to the Bonds

1.2.1 Financial risks

1.2.1.1 Refinancing

Refinancing risk is the risk that necessary financing may not be obtained, or could only be obtained at significantly increased costs concerning refinancing of existing debts or new borrowing. The M2 Group may eventually be required to refinance certain or all of its outstanding debt, including the Bonds. As of 30 June 2020, approximately SEK 4,738 million of the M2 Group's outstanding debts mature within 12 months. The M2 Group's ability to successfully refinance its outstanding debt obligations, including the Bonds, at maturity depend on the conditions of the capital markets and its financial condition at such time. The M2 Group's ability to refinance the Bonds and other debt is also restricted in the way the Terms and Conditions only permit certain capital market loans and that issuance of market loans are subject to certain financial undertakings of the M2 Group. Such restrictions together with developments in the credit market, such as deterioration of the overall financial markets or a worsening of general economic conditions, for example as a result of the Covid-19 outbreak (see further the risk factor "Covid-19"), could adversely affect the M2 Group's access to financing sources and financing on favorable terms, or at all. The M2 Group's inability to refinance its debt obligations on favorable terms, or at all, could have a negative impact on the M2 Group's ability to refinance its outstanding debt, including the Bonds, at maturity.

The M2 deems the probability of the above mentioned risks materializing to be *low*. If the risks would materialize, M2 considers the potential impact to be *high*.

1.2.1.2 Interest rate risk

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. The interest rate of the Bonds is calculated as 3 months STIBOR plus 4.75 per cent. As market interest rates in Sweden are relatively low compared historically, there is a risk that market rates increase in the future. Investments in the Bonds involve a risk that the market value of the Bonds may be negatively affected by increases in market interest rates, as bonds or notes issued in a higher interest environment may yield a higher total return than the Bonds, which may make it difficult for the Bondholders to sell the Bonds on a time and at a price acceptable to the Bondholder. M2 deems the probability of such risk materializing to be *medium*. If the risks would materialize, M2 considers the potential impact to be *medium*.

In order to ensure the reliability of reference rates (such as STIBOR), legislative action at EU level has been taken. Hence, the so-called Benchmark Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indexes used as reference values for financial instruments and financial agreements or for measuring investment fund results and amending Directives 2008/48/EC and 2014/1 TEU and Regulation (EU) No 596/2014) were added and entered into force on

1 January 2018. The Benchmark Regulation regulates the provision of reference values, reporting of data bases for reference values and use of reference values within the EU. Since the benchmark regulation has only been applied for a short period of time, the effects of it so far are difficult to assess. However, there are future risks that the benchmark regulation affects how certain reference rates are determined and how they are developed. This in conjunction with increased administrative requirements can lead to a reduced number of entities involved in the determination of reference rates, which, in such case, would lead to a certain reference interest ceasing to be published. As the interest rate of the Bonds are calculated as 3 months STIBOR plus 4.75 per cent, an investor in the Bonds may be adversely affected if STIBOR ceases to be calculated or administered, or if revisions are made to the way STIBOR is determined in the future, an investor in the Bonds may be adversely affected. M2 deems the probability of such risk materializing to be low. If the risks would materialize, M2 considers the potential impact to be low.

1.2.2 Risks related to admission to trading

M2 has undertaken to ensure that the Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market within certain stipulated time periods, as defined in the Terms and Conditions. There is a risk that the Bonds will not be admitted to trading on the relevant market place within the intended time frames or at all. Failure to obtain listing in time would provide each Bondholder with a right of prepayment (put option) of its Bonds.

Even if the Bonds are admitted to trading on a Regulated Market, the liquidity and trading price of the Bonds may vary as a result of numerous factors, including general market movements and irrespective of M2's performance. This may entail that a Bondholder cannot sell his or her Bonds at the desired time or at a yield which is comparable to similar investments that have an existing and functioning secondary market. A lack of liquidity in the market may have a negative impact on the market value of the Bonds. There is a risk that a demand for and trading with the Bonds does not occur or is not maintained.

M2 deems the probability of the secondary trading in the Bonds being impacted as described above as *medium*. If the risks would materialize, M2 considers the potential impact to be *low*.

1.2.3 Structural subordination and dependency on subsidiaries

Since M2 is the parent company to the M2 Group's property owning companies, M2 is dependent upon receiving dividends and group contributions from its subsidiaries and dividends from its Financial Holdings and other investments to be able to fulfil its obligations under the Terms and Conditions. The Bonds are not guaranteed by any of these subsidiaries or any other company or person. This means that the Bonds are structurally subordinated to any indebtedness raised in any of the property owning subsidiaries, and so the creditors of such indebtedness have priority over the Bondholders to the assets and revenue generated in the subsidiaries. The Terms and Conditions do not include any restriction on the ability of the M2 Group to incur additional indebtedness (other than the restriction on the Issuer on incurring market loans with a shorter maturity than the Bonds or on issuing any secured bond and on Wästbygg Gruppen on issuing bonds secured by guarantees from M2 or any subsidiaries, and indirectly, by financial undertakings relating to the equity ratio, if any). In the event a subsidiary becomes subject of liquidation, company reconstruction or bankruptcy there is a risk that M2 will not receive dividends or

contributions from the subsidiary. M2 deems the probability of such risk materializing to be *low*. If the risks would materialize, M2 considers the potential impact to be *high*.

The M2 Group has within the framework of its financing raised loans from credit institutions and has thereby pledged mortgage deeds in certain properties and shares in some of the M2 Group's property owning subsidiaries. M2 also intends to continue seeking appropriate and attractive financing and may in connection thereto grant security for such financing. M2 deems the probability of such risk materializing to be *low*. If the risks would materialize, M2 considers the potential impact to be *high*.

1.3 Risks related to the Bondholders' rights and representation

1.3.1 Priority rights

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of M2 and shall rank at least *pari passu* with other direct, unconditional, unsubordinated and unsecured obligations of M2. This means that a Bondholder, in the event of M2's liquidation, company reconstruction or bankruptcy, normally would receive payment after any prioritized creditors (e.g. lenders or investors that have the benefit of security) have received payment. The Terms and Conditions do not include a general so called "negative pledge" undertaking and hence M2 may post security to other lenders which would not secure the Bonds. Each investor should be aware of the risk that a Bondholder may lose the whole, or parts of, his or her investment in the event of M2's liquidation, bankruptcy or company reconstruction. M2 deems the probability of such risk materializing to be *low*. If the risks would materialize, M2 considers the potential impact to be *high*.

1.3.2 Risks related to acceleration of the Bonds and put options

M2 is required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Bonds. Upon the occurrence of an Event of Default (as specified in the Terms and Conditions), the Bonds may be accelerated at the terms and price set out in the Terms and Conditions. Furthermore, upon the occurrence of a Change of Control Event, a Bond De-listing Event or a Listing Failure Event (as defined in the Terms and Conditions), each Bondholder will have a right to request (put option) that all, or only some, of its Bonds be repurchased at the terms and price set out in the Terms and Conditions. Following any of the above mentioned events, there is a risk that M2 will not have sufficient funds at the time of such acceleration or repurchase to make the required redemption of, or payment in respect of, the Bonds. This could in turn adversely affect M2's ability to meet its financial obligations and consequently affect all Bondholders, including those who did not exercise the option. M2 deems the probability of such risk materializing to be *low*. If the risks would materialize, M2 considers the potential impact to be *high*.

1.3.3 Voluntary early redemption

M2 has a right under the Terms and Conditions to redeem all outstanding Bonds in full prior to the Final Maturity Date. The early redemption right exists during the whole time period prior to the Final Maturity Date, although the redemption price changes after a certain period.

Such a right could affect the market value of the Bonds and there is a risk that the market value of the Bonds is higher than the price at which M2 may be entitled to redeem the Bonds. If M2 exercises its right to early redemption of the Bonds when the market value of the Bonds is higher than the relevant

redemption price, it could affect the investor's possibilities to re-invest the repaid amount on the same terms as the terms of the redeemed Bonds. It is further possible that M2 will not have sufficient funds at the time of the prepayment to carry out the redemption. M2 deems the probability of such risk materializing to be *low*. If the risks would materialize, M2 considers the potential impact to be *low*.

2 RESPONSIBILITY FOR THE PROSPECTUS

M2 has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Bonds Issue and the performance of its obligations relating hereto. The issuance of the Subsequent Bonds on 11 September 2020 was authorised by resolutions taken by the board of directors of M2 on 24 June 2020.

The board of directors is responsible for the information contained in this Prospectus. The board of directors confirms that, to the best of their knowledge, the information contained in the Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

The information in this Prospectus and in the documents incorporated by reference which derive from third parties has been accurately reproduced and, as far as M2 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.

Information on websites that are referenced in the Prospectus have not been scrutinised or approved by the Swedish Financial Supervisory Authority (“**SFSA**”) and does not form part of the prospectus unless that information is incorporated by reference.

The Prospectus has been prepared in relation to the Company’s admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Regulation (EU) 2017/1129.

This Prospectus has been approved by the SFSA as competent authority under Regulation (EU) 2017/1129. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. 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 securities.

Stockholm on 21 September 2020

M2 Asset Management AB (publ)

The board of directors

3 SUMMARY OF THE BOND LOAN

This section provides 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 (see below section 10) and the full Terms and Conditions for the Bonds, which can be found in the section 11 “Terms and Conditions for the Bonds”, before a decision is made to invest in the Bonds.

3.1 The Bonds

The aggregate nominal amount of the Bonds is maximum SEK 2,000,000,000 represented by a maximum number of 1,600 Bonds denominated in SEK, each Bond with a Nominal Amount of SEK 1,250,000. As of the date of the Prospectus 480 Bonds totalling SEK 600,000,000 have been issued. Subject to clause 2.4 of the Terms and Conditions, the Company may at one or more occasions after the Initial Bond Issue issue subsequent bonds (“**Subsequent Bond Issues**”) until the total amount under any Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 2,000,000,000.

For the avoidance of doubt, this Prospectus has been prepared solely for the purpose of admitting the loan constituted by the First Subsequent Bond Issue as described below, equivalent to 320 Bonds for trading at Nasdaq Stockholm.

Initial Bond Issue

The Company has issued an initial bond of SEK 200,000,000 on 10 July 2020 (the “**Initial Bond Issue**”). A prospectus for the admission to trading on Nasdaq Stockholm of the loan constituted by the Initial Bond Issue represented by 160 Bonds was published on August 13, 2020.

First Subsequent Bond Issue

On 11 September 2020 the Company has issued subsequent bonds of SEK 400 000 000 (“**The First Subsequent Bond Issue**”). This Prospectus has been prepared solely for the purpose of admitting the loan constituted by the First Subsequent Bond Issue equivalent to 320 Bonds for trading at Nasdaq Stockholm.

The Bonds have been issued in accordance with Swedish law and are affiliated to the account-based system of Euroclear AB (P.O. Box 191, SE-101 23 Stockholm, Sweden). Holding of the Bonds is recorded at each Bondholder’s Securities Account. No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding of preliminary tax will be made through Euroclear’s book-entry system. The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among them, and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Company except obligations which are preferred by mandatory regulation.

The Bonds ISIN is SE0014557922, the Bonds FISN-code is M2ASSET/FRN DEBT 20230710 and the Bonds CFI-code is DBVNDR.

3.2 Use of proceeds

M2 shall use the Net Proceeds (gross proceeds from the issue of the Bonds, less the costs and expenses incurred by the Issuer in connection with the issue of the Bonds) for general corporate purposes of the Group, including refinancing, investments in Subsidiaries and properties and acquisitions of properties or property owning companies.

3.3 Admission to trading

M2 shall ensure that upon any Subsequent Bond Issue, after the Bonds issued on the First Issue Date have been listed, such Subsequent Bonds are listed not later than thirty (30) Business Days after the relevant Issue Date, and the volume of listed Bonds is increased accordingly. The estimated total expenses related to the admission to trading of the Bonds amount to SEK 250 000.

The Bonds shall be listed on Corporate Bond List of Nasdaq Stockholm, which is a Regulated Market.

3.4 Status of the Bonds

The Bonds are in the form of debt instruments intended for public sale. A Bond confirms that the Bondholder has a claim against M2. The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of M2. The Bonds are freely transferable and trading with the Bonds between investors may occur from the date the Bonds were issued. The Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds under local laws to which a Bondholder may be subject. The Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any other jurisdiction.

3.5 Issuance and maturity

The Bonds were first issued on 10 July 2020. M2 shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest, unless and to the extent not previously redeemed or repurchased in accordance with the Terms and Conditions. The Final Maturity Date shall take place on the first business day occurring three years after the First Issue Date on 10 July 2020, *i.e.* 10 July 2023. Payment of the Nominal Amount and accrued but unpaid Interest shall be made to the person who is registered on a Securities Account as Bondholder, or to the person who is otherwise entitled to receive payment under a Bond on the Record Date prior to the Redemption Date. The right to receive repayment of the principal of the Bonds shall be prescribed and void ten (10) years from the Redemption Date.

3.6 Purchase of the Bonds by M2

M2 may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by M2 may at M2's discretion be retained or sold but may not be cancelled by M2 other than within 20 Business Days prior to the Final Maturity Date.

3.7 Issuer's Call Option

M2 has the right to redeem the Bonds in whole, but not in part, (i) at any time prior the First Call Date at a price per Bond equal to 100 per cent of the Nominal Amount together with accrued but unpaid Interest plus the Applicable Premium, (ii) at any time from and including the First Call Date to, but excluding the Final Maturity Date at an amount per Bond equal to 101 per cent of the Nominal Amount, together with accrued but unpaid Interest or (iii) notwithstanding paragraph (ii) above, provided that the redemption is financed in whole or partly by way of an issue of one or several Market Loans any time from and including the First Call Date, to but excluding the Final Maturity Date, at an amount per Bond equal to 100 per cent of the Nominal Amount together with accrued but unpaid Interest.

Further, M2 may redeem all, but not some only, of the outstanding Bonds at a price per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by M2 if it is or becomes unlawful for M2 to perform its obligations under the Finance Documents, in accordance with Section 9.4 (*Early redemption due to illegality (call option)*) of the Terms and Conditions.

3.8 Put Option

Each holder of the Bonds shall have right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101 per cent of the Nominal Amount together with accrued but unpaid Interest if a Change of Control Event occurs or if the Bonds cease to be listed on Nasdaq Stockholm or another Regulated Market (Bond De-Listing Event).

3.9 Acceleration of the Bonds

Under certain conditions specified under Section 13 (*Acceleration of the Bonds*) of the Terms and Conditions, the Bondholders are entitled to request that M2 redeems the Bonds at an amount equal to 101 per cent of the Nominal Amount together with accrued but unpaid Interest.

3.10 Interest

Each Subsequent Bond carries interest at three months STIBOR plus 4.75 percentage units *per annum* from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date. Interest is paid quarterly in arrears on each Interest Payment Date and is 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 days (Day-count fraction is Act/360-days basis). Interest shall under the Terms and Conditions never be calculated as being an amount less than zero (0). Interest Payment Date means 10 January, 10 April, 10 July and 10 October of each year. The right to payment of Interest becomes prescribed and void three (3) years after each Interest Payment Date. Interest calculation is performed by Euroclear.

3.11 Representation of the holders

Nordic Trustee & Agency AB (publ) is acting as 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 holder of the Bonds confirms such appointment and authorisation for the agent

to act on its behalf in any legal or arbitration proceedings relating to the Bonds held by such holder of the Bonds. An agency agreement was entered into between the agent and the Company on or about the First Issue Date regarding, among others, the remuneration payable to the agent and indemnification. The agency agreement is available at the agent's office address (Norrandsgatan 23, SE-111 43 Stockholm, Sweden) during normal business hours and at M2's website www.m2assetmanagement.se. The agent may, at any time, convene a Bondholders' meeting or instigate a Written Procedure among Bondholders, which may lead to a majority decision in order to bind all Bondholders, see Section 15 (*Decisions by Bondholders*) in the Terms and Conditions. The rights and obligations of the agent are further set forth in the Terms and Conditions.

3.12 Benchmark Regulation

The interest payable under the Bonds is calculated by reference to the benchmark STIBOR, as defined in the Terms and Conditions. Since 20 April 2020 STIBOR is administrated by Swedish Financial Benchmark Facility AB ("**SFBF**") (a wholly owned subsidiary of Global Rate Set Systems Ltd). SFBF assumes overall responsibility and is the principal for STIBOR. As of the date of this Prospectus SFBF is not included in the register referred to in article 36 in Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 ("**BMR**"). As far as M2 is aware, the transitional provisions in Article 51 of the BMR apply, such that SFBF is not currently required to obtain authorisation or registration.

3.13 Advisers

Nordea Bank Abp has acted as Bookrunner and Issuing Agent in connection with the Bonds Issue. Walthon Advokater AB has acted as the legal advisor to M2 in connection with the Bonds Issue.

4 DESCRIPTION OF THE COMPANY AND THE GROUP

4.1 Overview of the Company

M2 was founded in 1998 and is a real estate company wholly owned by Rutger Arnhult. M2 is Rutger Arnhult's holding company.

M2's business idea is to create long term growth by managing, acquiring and developing properties in Sweden. The operations of the M2 Group include the four branches; real estate investments, directly owned property portfolio, construction and property development business and operations outside the real estate market as described below. M2 operates mainly in Stockholm, Gävle, Jönköping and Växjö. M2's headquarter is located in Stockholm.

4.2 Information about the issuer

<i>Legal form</i>	Public limited liability Company.
<i>Corporate registration number</i>	556559-3349.
<i>Regulative legislation</i>	Swedish Companies Act (Sw. aktiebolagslagen (2005:551)).
<i>LEI-code</i>	549300NCO6VAEYIERL98.
<i>Incorporated</i>	On 27 August 1998.
<i>Head office</i>	Municipality of Stockholm.
<i>Address</i>	Bredgränd 4, 111 30 Stockholm.
<i>Phone number</i>	+46 10 706 00 00.
<i>Website</i>	www.m2assetmanagement.se (the information on the website does not form part of the prospectus unless that information is incorporated by reference into the Prospectus).
<i>Legal/commercial company name</i>	M2 Asset Management AB (publ).
<i>Operational objective</i>	M2's principal objectives is to own and manage properties and securities, to provide administrative and management services and to conduct other related business thereto.
<i>Organisational structure</i>	M2 Asset Management AB (publ) is the parent company of the M2 Group. Please refer to " <i>Organisational structure</i> " below for information regarding the main subsidiaries of M2.

4.3 Real estate investments

M2's real estate investments (the "**Financial Holdings**") consist of shareholdings in listed real estate companies. M2 is per the date of the Prospectus shareholder of listed real estate companies *Castellum AB (publ)* ("**Castellum**"), *Corem Property Group AB (publ)* ("**Corem**"), *Klövern AB (publ)* ("**Klövern**") and *AB Sagax (publ)* ("**Sagax**").

Castellum is one of the largest listed real estate companies in Sweden.¹ The property portfolio consists primarily of premises for offices and public sector properties in Stockholm, Gothenburg and other growing regions in Sweden as well as in Denmark and Finland. The company has a portfolio of 636 properties as of 30 June 2020 with a total market value of approximately SEK 97,012 million.² M2 is the largest shareholder in Castellum, holding 13.3 per cent of the share capital and votes.

¹ <https://www.castellum.se/om-castellum/om-castellum/>. The information on the website does not form part of the prospectus.

² The information is derived from Castellum's unaudited interim report for the period 1 January – 30 June 2020.

Corem owns, manages and develops warehouse-, logistic-, industrial- and retail properties in the middle/southern parts of Sweden and in Denmark. As of 30 June 2020, the total market value of Corem's property portfolio was approximately SEK 12,598 million. The portfolio is divided into four geographical areas (Stockholm, South, West, and Småland) and includes 163 properties as of 30 June 2020.³ M2 is the largest shareholder in Corem as of 30 June 2020, holding 41.8 per cent of the share capital and 46.9 per cent of the votes.

Klövern has a portfolio of 348 properties (as of 30 June 2020) and strong presence in Stockholm and other growing regions in Sweden. The portfolio mainly consists of commercial properties, focused on business and science parks and city properties in Sweden, but also in Denmark and USA. As of 30 June 2020, the total market value of the portfolio was approximately SEK 56,060 million.⁴ M2 is the largest shareholder in Klöverns as of 30 June 2020, holding 15.1 per cent of the share capital and 17.3 per cent of the votes.

Sagax is a property company with focus on commercial properties mainly in the warehouse and light industrial segments. As of 30 June 2020, Sagax had a property portfolio of 657 properties with a market value of approximately SEK 36,117 million.⁵ The properties are located throughout Europe. M2 is the third largest shareholder in Sagax, holding 8.1 per cent of the share capital and 12.7 per cent of the votes.

4.4 **Directly owned property portfolio**

In addition to the Financial Holdings, M2 has direct ownership of 69 properties as of 30 June 2020. The properties are situated in municipalities across Sweden with focus on residential, retail and office properties. As of 30 June 2020, the market value of M2's property portfolio amounted to approximately SEK 5,882 million.

4.5 **Construction and property development business**

Through the sub-group of companies under the Wästbygg Group, M2 also operates in the construction and property development business. The Wästbygg Group conducts construction and property development of residential, commercial and logistics properties.

4.6 **Non-real estate related investments**

The M2 Group has strategic investments outside the real estate market. The largest such holding is shares in Footway Group AB (publ), an online retailer focused on the Nordic countries and selected European markets which recently acquired a majority share in Sportamore AB (publ), an online retailer of sports-related products. Other major holdings are RhoVac AB (publ), a pharmaceutical company focused on development of vaccines for treatment of metastatic cancer and Devyser AB, specialists on diagnostic kits for complex DNA testing within hereditary diseases, oncology and transplantation. In

³ The information is derived from Corem's unaudited interim report for the period 1 January – 30 June 2020.

⁴ The information is derived from Klöverns unaudited interim report for the period 1 January – 30 June 2020.

⁵ The information is derived from Sagax unaudited interim report for the period 1 January – 30 June 2020.

addition to strategic investments, the M2 Group is trading in various listed shares to manage surplus funds.

4.7 Organisational structure

Per the date of the Prospectus, the M2 Group consist of 60 companies. Out of these, 18 companies were directly owned by M2 Asset Management AB (publ), which is the parent company of the Group. The Group consists of real estate owning companies and, in some cases, holding companies of the real estate owning companies. The indirectly owned, to 85 per cent, subsidiary Wästbygg Group is the part of the Group where construction and property development business is carried out. However, the main subsidiaries of the M2 Group are:

Subsidiaries/Org.no/Domicile	Share in % ¹⁾
Arnia Holding AB, 556727-9418	100
M2 Holding AB, 556878-5520, Stockholm	100
M2 Residential AB, 556586-2199, Stockholm	100
M2 Gruppen i Gävle AB, 556710-5610, Stockholm	100
M2 Gruppen i Södertälje Holding AB, 556717-0054, Stockholm	100
M2 Gruppen i Stockholm AB, 556367-0057, Stockholm	100
M2 Gävle Centrum AB, 556578-7008, Stockholm	100
Aktiebolaget Stockholm Sjöbotten 1, 556720-6452, Stockholm	100
M2 Capital Management AB, 556575-4271, Stockholm	100

¹⁾ The ownership of capital, which also corresponds to the percentage of votes of the total number of shares.

M2 is dependent on its subsidiaries and other investments, especially the Financial Holdings, in order to receive dividend income. M2's ability to make required payments of interest on its debts and funding is affected by the ability of its subsidiaries and other investments to transfer available funds to it, and hence M2 is dependent on its subsidiaries to fulfil its ongoing operations.

5 GROUP OWNERSHIP AND OWNERSHIP STRUCTURE

Rutger Arnhult owns 100 per cent of the shares in M2.

6 THE BOARD, SENIOR MANAGEMENT AND AUDITOR

M2's board of directors consists of four members and no deputy. The board and management can be reached via M2's registered address Bredgränd 4, SE-111 30, Stockholm or by telephone +46 (0)10 706 00 00.

6.1 The board

<p>Rutger Arnhult</p> <p>Chairman of the board since 2017, board member since 1999.</p> <p>Rutger Arnhult is CEO and board member of Klöver AB (publ), chairman of the board in Kloster Invest AB and board member of Corem Property Group AB (publ).</p> <p><i>Dependent in relation to M2 and major shareholders.</i></p>	<p>Mia Arnhult</p> <p>Board member and CEO since 2017.</p> <p>Mia Arnhult is board member of Devyser Holding AB, Odd Molly International AB (publ), Bactiguard Holding AB (publ), and CEO of Locellus AB and Arnhult Invest AB.</p> <p><i>Dependent in relation to M2 and major shareholders.</i></p>
<p>Johan Sjö</p> <p>Board member since 2017.</p> <p>Johan Sjö is chairman of the board of AddLife AB (publ), Momentum Group AB and OptiGroup AB and board member of Addtech AB, Bufab AB (publ), Camfil AB and Arkösund Holding AB.</p> <p><i>Independent in relation to M2 and major shareholders.</i></p>	<p>Patrik Tillman</p> <p>Board member since 2017.</p> <p>Patrik Tillman is chairman of the board of PFG Group AB and Odd Molly International AB (publ), board member of Kattvik Financial Services Aktiebolag, Kloster Invest AB and Stocksund Financial Management AB. Furthermore, Patrik Tillman is CEO and board member of Lenner & Partners Corporate Finance AB.</p> <p><i>Independent in relation to M2 and major shareholders.</i></p>

6.2 Senior management

Mia Arnhult, CEO. Please see above.

Henrik Zetterström, CFO.

Håkan Jansson, Property Manager.

6.3 Conflicts of interests

Save for what is mentioned in this clause, there are no conflicts of interest between the private interests of the board members or the senior management and M2's interests. Since Rutger Arnhult is the sole owner of M2 he has private financial interest in M2. Furthermore, Rutger Arnhult and Mia Arnhult are

married. M2's board member Patrik Tillman is the ultimate owner of 50 per cent of the shares in Kloster Invest AB while the remaining 50 per cent of the shares in Kloster Invest AB are owned by M2.

6.4 Auditor

The auditor of M2 is Mikael Östblom, born 1970. Mikael Östblom is a Certified Public Accountant, member of FAR and partner at Grant Thornton Sweden AB. Mikael Östblom has been the auditor of M2 since 2002. The auditor can be contacted at Grant Thornton Sweden AB, Sveavägen 20, 103 94 Stockholm.

7 FINANCIAL INFORMATION

7.1 Historical financial information

The Company's interim report for the period 1 January – 30 June 2020 and annual reports for the financial years ended 2019 and 2018 have been incorporated in this Prospectus by reference. The information incorporated by reference is to be read as part of the Prospectus.

The information in this Prospectus as of 30 June 2020 is derived from the interim report of M2 for the period January – June 2020, which has not been audited. Information in this Prospectus as of 31 December 2019 and 31 December 2018 is derived from the annual reports of M2 for the financial years 2019 and 2018, which reports have been audited.

The annual reports for the financial years ending 2019 and 2018 have been prepared in accordance with the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*), the Complementary Accounting Standards for Groups issued by the Swedish Council for the Financial Reporting (Sw. *RFR 1 Kompletterande redovisningsregler för koncerner*), the International Financial Reporting Standards ("IFRS") as well as the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the European Union. The historical financial information include the term Operating profit (Sw. *rörelseresultat*) which is not defined in IFRS. In the historical financial information Operating profit is defined as profit after subtracting expenses that are directly associated with operating the business from the gross profit. As regards M2 these expenses include overhead administrative costs (Sw. *central administration*). The board of M2 assesses that Operating profit is an important measure of the profitability of M2's core business since it excludes non-operating earnings and expenses.

Other than the auditing of the Company's annual reports for the financial years ended 2019 and 2018, the Company's auditor have not audited or reviewed any other parts of this Prospectus.

7.2 Acquisition of Arnia Holding AB

On 31 December 2019 M2 acquired 100 per cent of the shares in Arnia Holding AB, 556727-9418 ("Arnia" or the "Arnia Group"), a real estate holding company, from M2's shareholder Rutger Arnhult. The purchase price of Arnia amounted to SEK 6.7 million, compared to book value of SEK 5,829 million as of 31 December 2019. Arnia's business idea is similar to M2's and aims to create long term growth by managing, acquiring and developing properties in Sweden.

The operations of the Arnia Group include real estate investments, a directly owned property portfolio and property development. Arnia's properties are situated in Jönköping, Sweden and Växjö, Sweden.

Arnia's assets consisted of a directly owned property portfolio as well as holdings in Castellum AB, Corem Property Group AB, Klöver AB and AB Sagax, similar to M2. The merger of M2 and Arnia consolidated the two companies' financial holdings and strengthened the directly owned property holdings. In addition, the equity / assets ratio and financial position of M2, with Arnia's lower loan-to-value ratio and stronger equity ratio, was strengthened. As of 31 December 2019 Arnia is consolidated in the M2 Group.

7.3 Significant changes in M2's financial position

There has been no material adverse changes in the prospects of the issuer or other significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published until the date of the Prospectus.

However, the spread of the novel corona virus, Covid-19, is a great concern to the world, not only due to its impact on people's lives and habits but also in terms of the impact on society as well as the future economic development. The economic impact of the virus is not yet known and is difficult to estimate due to the high degree of uncertainty surrounding the situation.

7.4 Auditing of the annual historical financial information

The Company's annual reports for the financial years ended 2019 and 2018 have been audited by Grant Thornton Sweden AB, with Mikael Östblom as the auditor in charge. Mikael Östblom is a Certified Public Accountant, member of FAR and partner at Grant Thornton Sweden AB. Mikael Östblom has been the auditor of M2 since 2002. The auditor can be contacted at Grant Thornton Sweden AB, Sveavägen 20, 103 94 Stockholm.

7.5 Age of financial information

The most recent audited financial information derives from the Company's annual report for the financial year ending on 2019 with balance date 2019-12-31. The report was published on the Company's website on 28 April 2020.

8 LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

8.1 Legal and arbitration proceedings

Within the M2 Group, the sub-group of companies under the Wästbygg Group, is as a result of the general character of carrying out construction work involved in disputes in relation to projects completed and services carried out. The Wästbygg Group is in particular involved in one dispute relating to the performance under a construction agreement. The dispute is on-going and complicated. The Wästbygg Group has reserved funds sufficient to cover a negative outcome of the mentioned dispute. It is of the board's opinion that a negative outcome would have a negative impact on the Wästbygg Group's

earnings, but that the dispute is not material in relation to the Wästbygg Group's or the M2 Group's positioning on the market or continued business.

Due to the nature of the M2 Group's business, the M2 Group is from time to time involved in disputes with tenants or suppliers. None of the disputes to date are deemed to be significant for the M2 Group.

Other than disputes mentioned above, there has been no governmental, legal or arbitration proceedings (including such proceedings which are pending or threatened of which M2 is aware), during the last 12 months which may have, or have had in the recent past, significant effects on M2 or the M2 Group's financial position or profitability.

8.2 Significant adverse changes and recent events

There has been no material adverse changes in the prospects of the Company since the date of publication of its last audited financial report.

There has been no significant change in the financial performance or the financial position of the Group since the end of the last financial period for which interim financial information has been published.

8.3 Insurances

M2 is covered by for the industry customary commercial, property and construction insurances. Given the nature and the scope of the business, the board of M2 deems that the parent company and its subsidiaries are covered by satisfactory insurances.

8.4 Environmental activities

Property management, construction and property development have environmental impact. The Swedish Environmental Code (Sw. *miljöbalken*) states that everyone who has conducted a business operation that has contributed to pollution also has a responsibility for after-treatment of the property. If the responsible person cannot carry out or pay for the after-treatment of a polluted property, the person who has acquired the property is liable for after-treatment provided that the buyer at the time of the acquisition knew of or should have discovered the pollution. This means that claims, under certain conditions, may be raised against The M2 Group for soil remediation or for remediation concerning presence or suspicion of pollution in soil, water areas or ground water, in order to put the property in a condition pursuant to the Swedish Environmental Code.

Legislation and environmental standards constitute the basis for M2's environmental work. The M2 Group complies with the laws and regulatory requirements that exist for properties.

8.5 Possible material interests

Nordea Bank Abp has engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the M2 Group in the ordinary course of business. In particular, it should be noted that Nordea Bank Abp might be a lender under certain credit facilities with a company within the M2 Group as borrower. Therefore, conflicts of interest may exist or may arise as a result of

Nordea Bank Abp having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

8.6 Description of Material Contracts

Rental agreements

Rental agreements are of significant importance to the M2 Group's business. As M2's portfolio includes different types of properties, the rental agreements vary as regards terms and conditions. The M2 Group is not dependent on any particular rental agreement.

Construction contracts

Within the scope of the construction and property development operations, the Wästbygg Group enters into construction contracts (*Sw. entreprenadavtal*). Generally, the terms and conditions of these contracts do not deviate from the standard-form contracts used within the construction industry. In connection with construction projects, external sub-contractors are frequently engaged. The Wästbygg Group is not dependent on any particular sub-contractor or supplier.

Financing agreements

The M2 Group is financed by equity capital and debt. As of 30 June 2020, the M2 Group had an equity ratio of 53.7 per cent. Borrowing is made through credit facilities with banks and through the Bond market. As of 30 June 2020 the M2 Group's short-term interest bearing debt amounted to 49 per cent of the Group's total interest bearing debt as the Group's long-term interest bearing debt amounted to 51 per cent. M2 has provided mortgage deeds, securities, promissory notes in subsidiaries, and downstream guarantees as security for its bank loans. The credit agreements contain common terms and conditions regarding change of control (*Sw. kontrollägarskifte*) and cross default (*Sw. uppsägning vid kontraktsbrott*) and covenants regarding equity / assets ratio, interest rate ratio and loan to value ratio. As of 30 June 2020, the M2 Group's outstanding interest-bearing debts amounted to approximately SEK 12,816 million.

Other material contracts

Except as outlined in this Section 8, the M2 Group is not dependent on any particular contract that is of major importance to the group's business or profitability.

9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available, during the validity period of this Prospectus, at M2's office, Bredgränd 4, 111 30 Stockholm, during regular office hours:

- M2's Articles of Association;
- M2's Certificate of Registration;
- M2's audited annual reports (including the subsidiaries) for the financial years 2019 and 2018;

- M2's unaudited interim report for the period 1 January – 30 June 2020;

Articles of Association, Certificate of Registration and financial reports are also available at M2's website, www.m2assetmanagement.se.

Terms and Conditions are also available at M2's website, <https://m2assetmanagement.se/prospekt/>, and Nordic Trustee & Agency AB (publ) website, www.nordictrustee.com/obligationsvillkor.

10 DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus consists of, in addition to this document, the following documents which are incorporated by reference. All of the below documents will, during the validity period of the Prospectus, be available in electronic form at M2's website, <https://m2assetmanagement.se/finansiella-rapporter/>. The information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

10.1 **Extract from M2's and the M2 Group's annual report for the financial year 2018, including:**

- the income statement report, pages 30 and 34.
- the balance sheet, page 31 and 35-36.
- the change in equity capital, page 32 and 37.
- the cash flow analysis, page 33 and 38.
- accounting policies and notes, pages 39-64.
- the auditor's report, page 65-67.

10.2 **Extract from M2's and the M2 Group's annual report for the financial year 2019, including:**

- the income statement report, pages 32 and 36.
- the balance sheet, page 33 and 37-38.
- the change in equity capital, page 34 and 39.
- the cash flow analysis, page 35 and 40.
- accounting policies and notes, pages 41-68.
- the auditor's report, page 70-72.

10.3 Extract from M2's and the M2 Group's interim report for the period 1 January – 30 June 2020, including:

- the income statement report, pages 11 and 16.
- the balance sheet, pages 12-13 and 17-18.
- the change of equity capital, pages 14 and 19.
- the cash flow analysis, page 15.
- accounting policies and notes, pages 20-22.

The historical financial information for 2019 and 2018 has been prepared in accordance with IFRS and has been audited. The historical financial information for the period 1 January – 30 June 2020 has been prepared in accordance with IFRS, but has not been audited.

Investors should read all information which is incorporated by reference as part of this Prospectus. It should be noted that the non-incorporated parts of the annual reports for 2019 and 2018 and the interim report for the period 1 January – 30 June 2020 are either not relevant for the investor or are covered elsewhere in the Prospectus.

**TERMS AND CONDITIONS FOR
M2 ASSET MANAGEMENT AB (PUBL)
UP TO SEK 2,000,000,000
SENIOR UNSECURED BONDS
July 2020/July 2023 series no 4**

ISIN: SE0014557922
First Issue Date: 10 July 2020

No action is being taken that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable 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 NOTICE

Each of the Issuer, the Agent and the Issuing Agent may collect and process personal data relating to the Bondholders, the Bondholders' representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders 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 their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Bonds and payments under the Bonds;
- (c) to enable the Bondholders' to exercise their rights under the Finance Documents; and
- (d) to comply with their 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) - (c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Agent or the Issuing Agent (as applicable). Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

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

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer, the Agent or the Issuing Agent (as applicable). In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Agent's and the Issuing Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.m2assetmanagement.se, www.nordictrustee.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 Financial Instruments Accounts Act and through which a Bondholder 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 Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or by an owner of more than 50 per cent of the votes in the Issuer, irrespective of whether such person is directly registered as owner of such Bonds.

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

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

“**Applicable Premium**” means an amount equal to all remaining scheduled Interest payments on the Bond from the relevant Redemption Date to the Final Maturity Date but excluding accrued but unpaid Interest up to the relevant Redemption Date (assuming that the Interest Rate for the period from the relevant Redemption Date to the Final Maturity Date will be equal to the Interest Rate in effect on the date on which the notice of redemption is given to the Bondholders). The Applicable Premium shall be calculated and determined by the Issuing 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 Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

“**Bond De-listing Event**” is deemed to occur if at any time from the listing of the Bonds, the Bonds cease to be listed on the corporate bonds list of Nasdaq Stockholm or on another Regulated Market, as applicable.

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

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 15.1 (*Request for a decision*), 15.2 (*Convening of a Bondholders’ Meeting*) and 15.4 (*Majority, quorum and other provisions*).

“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.

“Change of Control Event” occurs if any person or persons, not being controlled by Rutger Arnhult, acting collectively takes Control over the Issuer. However the aforementioned shall not apply should Control be acquired or taken by a company, the shares of which are listed on Nasdaq Stockholm Mid Cap or Large Cap list. Should Control have been acquired or taken by a company, the shares of which are listed on Nasdaq Stockholm, this Change of Control Event provision shall apply *mutatis mutandis* to subsequent changes of Control in the new listed owner.

“Compliance Certificate” means a certificate, reasonably satisfactory to the Agent and substantially in a form attached to these Terms and Conditions as Appendix 1, signed by the Issuer certifying that (i) the investment restrictions in Clause 11.6 (*Investment Restrictions*) are met, (ii) no Event of Default has occurred (or if an Event of Default has occurred and is continuing, what steps have been taken to remedy it) and (iii) the financial undertakings set out in Clause 12 (*Financial Undertakings*) as applicable are met.

“Control” means (i) acquire or otherwise obtain control over, directly or indirectly, more than 50 per cent. of the total outstanding voting rights in the Issuer or (ii) the right to, directly or indirectly, appoint or discharge all or a majority of the members of the board of directors in the Issuer.

“CSD” means the Issuer’s central securities depository and registrar in respect of the Bonds, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

“CSD Regulations” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Bonds from time to time.

“Debt Register” means the debt register (Sw: *skuldbok*) kept by the CSD in respect of the Bonds in which (i) an owner of Bonds is directly registered or (ii) an owner’s holding of Bonds is registered in the name of a nominee.

“Event of Default” means an event or circumstance specified in Clause 13.1.

“Equity” means the total consolidated equity of the Group in accordance with the Accounting Principles.

“Equity Ratio” means Equity divided by Total Assets according to the Accounting Principles.

“Final Maturity Date” means the date falling three (3) years after the First Issue Date.

“Finance Documents” means these Terms and Conditions and any other document designated by the Issuer and the Agent as a Finance Document.

“Finance Lease” means a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability;

“Financial Indebtedness” means indebtedness for or in respect of:

- (a) monies borrowed or raised (including Market Loans);
- (b) the amount of any liability in respect of any Finance Lease;
- (c) transferred claims, unless such claims have been transferred without a right for the acquirer to raise claims against the transferor;
- (d) derivative transactions, however, when calculating the value of any derivative transaction, only the current market value shall be considered;
- (e) counter-indemnities or other payment obligations relating to guarantees, letters of credit or other similar instruments or documents issued by a bank or other financial institution;
- (f) other transactions, including futures contracts, that have the commercial effect of a borrowing and being classified as borrowing under the Accounting Principles; and
- (g) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (f) above.

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

“First Call Date” means the date falling one Business Day before the day falling 33 months after the First Issue Date.

“First Issue Date” means 10 July 2020.

“Force Majeure Event” has the meaning set forth in Clause 23.1.

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

“Initial Bonds” means the Bonds issued on the First Issue Date.

“Insolvent” means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other relevant jurisdiction).

“Interest” means the interest on the Bonds calculated in accordance with Clauses 8.1 to 8.3.

“Interest Payment Date” means 10 January, 10 April, 10 July and 10 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 10 October 2020 (3 months after the First Issue Date) and the last Interest Payment Date shall be the relevant Redemption Date.

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

“Interest Rate” means 3 months STIBOR plus 4.75 percentage units *per annum*.

“Issue Date” means the First Issue Date and each other date on which Bonds are to be issued pursuant to these Terms and Conditions.

“Issuer” means M2 Asset Management AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556559-3349.

“Issuing Agent” means Nordea Bank Abp, filial i Sverige, with Reg. No. 516411-1683, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“Listing Failure Event” is deemed to occur if (i) the Bonds issued on the First Issue Date are not listed on the corporate bond list of Nasdaq Stockholm or on another Regulated Market within one hundred and twenty (120) days from the First Issue Date.

“Market Loans” 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 programs and other market funding programs), 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 in respect of (i) the Issuer’s business or financial position, (ii) the Issuer’s ability to meet its payment obligations under the Terms and Conditions, or (iii) the validity or enforceability of rights under the Terms and Conditions.

“Net Proceeds” means the gross proceeds from the offering of the relevant Bonds, minus the costs incurred by the Issuer in conjunction with the issuance thereof.

“Net Profit” means the Group’s profit after tax.

“Nominal Amount” has the meaning set forth in Clause 2.3.

“Permitted Market Loans” means:

- (a) Market Loans under the Bonds,
- (b) Market Loans under the Issuer’s existing bonds,

- (c) any unsecured Market Loans incurred by the Issuer and having longer maturity than the Bonds,
- (d) any Market Loans issued in order to finance a redemption in accordance with Clause 9.3.1 **Fel! Hittar inte referensskälla.**, and
- (e) Market Loans incurred by Wästbygg Gruppen AB, subject to the Issuer or any other Subsidiary (other than Subsidiaries of Wästbygg Gruppen AB) not providing any guarantee or other Security for such Market Loan.

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

“Real Estate Related Assets” means any assets related to acquisition, development, construction, renovation or management of real properties and site leasehold rights and acquisition of shares in public or private real estate companies by the Issuer or any Subsidiary.

“Record Date” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 14 (*Distribution of proceeds*), (iv) the date of a Bondholders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“Redemption Date” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and repurchase of the Bonds*).

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

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

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

“STIBOR” means:

- (a) the applicable percentage rate *per annum* administered and calculated by the Swedish Financial Benchmark Facility AB (or any replacement administrator or calculator) displayed on page “STIBOR=Q” of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period; or

- (b) if no rate as described in (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates administered and calculated by the Swedish Financial Benchmark Facility AB (or any replacement administrator or calculator) displayed on page "STIBOR=Q" of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for the offering of deposits in Swedish Kronor; or
- (c) if no rate as described in (b) 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 Nordea Bank Abp, Filial i Sverige, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ), for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c), 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.

"Subsequent Bonds" means any Bonds issued after the First Issue Date on one or more occasions until the total amount under such issue(s) of Subsequent Bonds and the initial issue of the Bonds equals maximum SEK 2,000,000,000.

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

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

"Total Assets" means the total assets of the Group in accordance with the Accounting Principles.

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

"Written Procedure" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 15.1 (*Request for a decision*), 15.3 (*Instigation of Written Procedure*) and 15.4 (*Majority, quorum and other provisions*).

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 law, regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (d) a provision of regulation 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 Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor 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 Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.
- 1.2.6 The selling and distribution restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.
- 2. STATUS OF THE BONDS**
- 2.1 The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- 2.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- 2.3 The nominal amount of each Bond is SEK 1,250,000 (the “**Nominal Amount**”). All Initial Bonds are issued on a fully paid basis at an issue price of hundred per cent. of the Nominal Amount.
- 2.4 Provided that no Event of Default is continuing or would result from such issue, the Issuer may, at one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at par, at a discount or at a premium compared to the Nominal Amount. Each Subsequent

Bond shall entitle its holder to Interest in accordance with Clause 8.1, and otherwise have the same rights as the Initial Bonds.

- 2.5 The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them, and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer except obligations which are preferred by mandatory regulation.
- 2.6 The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. USE OF PROCEEDS

The Issuer shall use the Net Proceeds from the issue of the Bonds for general corporate purposes of the Group, including refinancing, investments in Subsidiaries and properties and acquisitions of properties or property owning companies.

4. CONDITIONS FOR DISBURSEMENT

- 4.1 The Issuer shall provide to the Agent, no later than 2:00 p.m. three (3) Business Days prior to the First Issue Date (or such later time as agreed by the Agent) the following:
- (a) the Finance Documents and the Agency Agreement duly executed by the Issuer and the Agent;
 - (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Initial Bonds, the terms of the Finance Documents, and resolving to authorise the relevant person(s) to enter into such documents and any other documents necessary in connection therewith; and
 - (c) the articles of association and certificate of incorporation of the Issuer.
- 4.2 The Issuer shall provide to the Agent, no later than 2:00 p.m. there (3) Business Days prior to the Issue Date of any Subsequent Bonds (or such later time as agreed by the Agent) the following:
- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith;
 - (b) the articles of association and certificate of incorporation of the Issuer; and

- (c) a certificate from the Issuer confirming that no Event of Default is continuing or would result from (i) the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing; or (ii) the issue of the Subsequent Bonds and that no such issuance would cause a breach of any undertaking of the Issuer in accordance with Clause 12 (*Financial Undertakings*).
- 4.3 The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1 or 4.2 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation. The documentation and evidence delivered to the Agent pursuant to Clause 4.1 or 4.2 are not reviewed by the Agent from a legal or commercial perspective of the Bondholders.
- 4.4 The Agent shall promptly confirm to the Issuing Agent when it is satisfied that the conditions precedent in Clause 4.1 or 4.2, as the case may be, have been fulfilled (or amended or waived in accordance with Clause 16 (Amendments and waivers)). The relevant Issue Date shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent prior to the relevant Issue Date, or (ii) if the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.
- 5. BONDS IN BOOK-ENTRY FORM**
- 5.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- 5.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 5.3 The Issuer (and the Agent when permitted under the CSD Regulations) shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 5.4 The Issuer, the Agent and the Issuing Agent may use the information referred to in Clause 5.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.
- 5.5 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 Bondholders.

6. RIGHT TO ACT ON BEHALF OF A BONDHOLDER

- 6.1 If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.
- 6.2 A Bondholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.
- 6.3 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 Clause 6.2 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.
- 6.4 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (*Sw: förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

7. PAYMENTS IN RESPECT OF THE BONDS

- 7.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 7.2 If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 7.3 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 8.4 during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, 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.
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

8. INTEREST

- 8.1 Each Initial Bond carries 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 carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date. For the avoidance of doubt, Interest under these Terms and Conditions shall never be calculated as being an amount less than zero (0).
- 8.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 8.3 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).
- 8.4 If the Issuer fails to pay any amount payable by it under the Finance Documents 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. The default interest shall not be capitalised but be payable to each person who was a Bondholder on the Record Date for the original due date. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

9. REDEMPTION AND REPURCHASE OF THE BONDS

9.1 Redemption at maturity

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

9.2 Issuer's purchase of Bonds

The Issuer may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold but may not be cancelled by the Issuer other than within 20 Business Days prior to the Final Maturity Date.

9.3 Voluntary total redemption (call option)

- 9.3.1 The Issuer may redeem all, but not some only, of the outstanding Bonds in full
- (a) at any time prior to the First Call Date, at an amount per Bond equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, plus the Applicable Premium;

- (b) at any time from and including the First Call Date to, but excluding the Final Maturity Date at an amount per Bond equal to 101 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and/or
 - (c) notwithstanding paragraph (b) above, provided that the redemption is financed in whole or partly by way of an issue of one or several Market Loans any time from and including the First Call Date, to but excluding the Final Maturity Date, at an amount per Bond equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest.
- 9.3.2 Redemption in accordance with Clause 9.3.1 shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent, that shall be satisfied prior to the Record Date. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.
- 9.4 **Early redemption due to illegality (call option)**
- 9.4.1 The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- 9.4.2 The Issuer shall give notice of redemption pursuant to Clause 0 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse).
- 9.4.3 A notice of redemption in accordance with Clause 0 is irrevocable and shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.
- 9.5 **Mandatory repurchase due to a Change of Control Event, Bond De-listing Event or a Listing Failure Event (put option)**
- 9.5.1 Upon the occurrence of a Change of Control Event, a Bond De-listing Event or a Listing Failure Event, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event, the Bond De-listing Event or the Listing Failure Event pursuant to Clause 10.1.2 (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event, the Bond De-listing Event, or the Listing Failure Event, as the case may be.
- 9.5.2 The notice from the Issuer pursuant to Clause 10.1.2 shall specify the period during which the right pursuant to Clause 9.5.1 may be exercised, the Redemption Date and include

instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased.

- 9.5.3 If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 10.1.2. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.5.1.
- 9.5.4 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.
- 9.5.5 Any Bonds repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained, sold or cancelled.
- 9.5.6 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 9.5, if a third party in connection with the occurrence of a Change of Control Event offers to purchase the Bonds in the manner and on the terms set out in this Clause 9.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 9.5, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.

10. INFORMATION TO BONDHOLDERS

10.1 Information from the Issuer

- 10.1.1 The Issuer shall make the following information available to the Bondholders by way of press release and by publication on the website of the Group:
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the audited consolidated financial statements of the Group and the unconsolidated financial statements of the Issuer, for that financial year prepared in accordance with the Accounting Principles;
 - (b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of each financial year, the unaudited consolidated financial statements of the Group and the unconsolidated financial statements of the Issuer or the year-end report (Sw: *bokslutskommuniké*) (as applicable) for such period prepared in accordance with the Accounting Principles; and
 - (c) any other information required by the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- 10.1.2 The Issuer shall immediately notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event, a Bond De-listing Event or a Listing Failure Event. Such notice may be given in advance of the occurrence of a Change of Control Event,

and be conditional upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.

10.1.3 When the financial statements are made available to the Bondholders pursuant to Clause 10.1.1, the Issuer shall submit to the Agent a Compliance Certificate. The Compliance Certificate shall include figures in respect of the financial undertakings set out in Clause 12 (*Financial Undertakings*) and the basis on which the Equity Ratio has been calculated.

10.1.4 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

10.2 **Information from the Agent**

10.2.1 The Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing, which shall be dealt with in accordance with Clause 13.4.

10.2.2 If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

10.3 **Information among the Bondholders**

Subject to applicable regulations, the Agent shall promptly upon request by a Bondholder forward by post any information from such Bondholder to the Bondholders which relates to the Bonds. The Agent may require that the requesting Bondholder 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.

10.4 **Availability of Finance Documents**

The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Group and the Agent.

11. GENERAL UNDERTAKINGS

11.1 Compliance with laws

The Issuer shall, and shall procure that the Group Companies will, comply in all material respects with all regulations to which it may be subject and its articles of association and other constitutional documents.

11.2 Nature of business

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

11.3 Disposal of assets

The Issuer shall not, and shall ensure that none of the Group Companies, sell or otherwise dispose of shares 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 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.

11.4 Dividend

The Issuer may not (i) pay any dividends on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity (Sw: *bundet eget kapital*) with repayment to shareholders or (iv) make other distributions or transfers of value (Sw: *värdeöverföringar*) within the meaning of the Swedish Companies Act to its direct or indirect shareholders (items (i) - (iv) above are together and individually referred to as a "**Restricted Payment**"), provided however that Restricted Payments each year may be made up to the lower of (i) 50 per cent. of the Net Profit for the previous financial year as derived from the latest audited annual consolidated financial report of the Group and (ii) SEK 250,000,000.

11.5 Market Loans

The Issuer shall not, and shall procure that no Subsidiary will, incur (or agree to incur) or have outstanding any Market Loans, provided however that the Issuer and any Subsidiary has a right to incur and have outstanding Market Loans that constitute Permitted Market Loans.

11.6 Investment Restrictions

The Issuer shall procure that in relation to any investment, not less than 75 per cent of the Total Assets less cash and cash equivalents, but including the said investment are Real Estate Related Assets. The Compliance Certificate delivered pursuant to Clause 10.1.3 shall include a confirmation of compliance with the undertaking under this Clause.

11.7 **Dealings with related parties**

The Issuer shall, and shall ensure 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.

11.8 **Admission to trading**

11.8.1 The Issuer shall ensure that the Bonds issued on the First Issue Date are admitted to trading on the corporate bond list of Nasdaq Stockholm or on another Regulated Market within six (6) months after issuance, and that it remains admitted and that, upon any Subsequent Bond Issue, when the Bonds issued on the First Issue Date have been listed, such Subsequent Bonds are listed not later than thirty (30) Business Days after the relevant Issue date, and the volume of listed Bonds is increased accordingly.

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

11.9 **Undertakings relating to the Agency Agreement**

11.9.1 The Issuer shall, in accordance with the Agency Agreement:

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

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

11.10 **CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all applicable CSD Regulations.

12. **FINANCIAL UNDERTAKINGS**

The Issuer undertakes for so long as any amount is outstanding under the Bonds to comply or, as relevant, procure the compliance with the financial covenants set out in this Clause 12.

12.1 **Equity Ratio**

The Equity Ratio of the Group shall

- a) at any time not be less than thirty five (35) per cent, and
- b) at the time of any issue of Market Loans, including Subsequent Bonds, or resolution to distribute dividend (or similar value transfer to the shareholders) not be less than 40 per cent., taking the issue of such Market Loan or dividend into consideration on a pro forma basis.

13. ACCELERATION OF THE BONDS

13.1 The Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 13.5, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
 - (i) is caused by technical or administrative error; and
 - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer does not comply with any of the financial undertakings set out in Clause 12 (*Financial undertakings*);
- (c) the Issuer does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in paragraph (a) or (b) above), unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within twenty (20) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (d) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Bondholders;
- (e) the Issuer is, or is deemed for the purpose of any applicable law to be, Insolvent or by reason of actual or anticipated material financial difficulties, commences negotiations with its creditors (other than under the Finance Documents) with a view to rescheduling its Financial Indebtedness;
- (f) it is resolved that (i) the Issuer shall enter into liquidation or (ii) a Group Company shall enter into liquidation which results in a Material Adverse Effect;

- (g) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any fixed asset of a Group Company provided that the market value of such assets exceeds SEK twenty million (20,000,000) and is not discharged within thirty (30) Business Days (unless and for as long as contested in good faith);
 - (h) (i) any Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period, or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) or (ii) any commitment for any Financial Indebtedness of a Group Company is cancelled by a creditor as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph (h) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness referred to herein is less than SEK fifty million (50,000,000);
 - (i) the Issuer suspends its payments;
 - (j) the Issuer or a Group Company applies for or admits an application for financial reorganization according to the Company Reorganization Act (*Lag om företagsrekonstruktion (1996:764)*);
 - (k) the board of directors of the Issuer prepares a merger plan under which the Issuer shall merge into a new or existing company, with the effect that the Issuer is not the surviving entity provided that a consent from the Bondholders' Meeting has not been obtained before the merger is completed; and
 - (l) the board of directors of the Issuer prepares a merger plan under which the Issuer shall be merged with a company, with the effect that the Issuer is the surviving entity, provided that such merger would constitute a Material Adverse Effect.
- 13.2 In the event that IFRS changes, and no longer recognizes or requires fair value adjustments in the calculation of the book value of properties, the equity and total assets shall (for the calculation of Equity Ratio above) nevertheless be adjusted with reference to such market values as if IFRS, as applied on the First Issue Date, would remain applicable.
- 13.3 The Agent may not accelerate the Bonds in accordance with Clause 13.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided on a Bondholders' Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 13.4 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.

- 13.5 If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 13.6 If the right to accelerate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 13.7 In the event of an acceleration of the Bonds in accordance with this Clause 13, the Issuer shall redeem all Bonds at an amount per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.

14. DISTRIBUTION OF PROCEEDS

- 14.1 All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 13 (*Acceleration of 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 in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 17.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15.6, together with default interest in accordance with Clause 8.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
 - (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 the Finance Documents, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Bonds.

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

- 14.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1(a), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14.1(a).
- 14.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (*Sw: redovisningsmedel*) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 14 as soon as reasonably practicable.
- 14.4 If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least ten (10) Business Days before the payment is made. Such notice shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7.1 shall apply.

15. DECISIONS BY BONDHOLDERS

15.1 Request for a decision

- 15.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 15.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 15.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulation.
- 15.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 15.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 15.1.3 being applicable, the Issuer or the Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer shall upon request provide the convening Bondholder(s) with the information available in the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or

Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.

15.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Bondholders' Meeting in accordance with Clause 15.2 (*Convening of Bondholders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 15.3 (*Instigation of Written Procedure*). After a request from the Bondholders pursuant to Clause 17.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 15.2. The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.

15.1.7 Should the Issuer or any Bondholder(s) convene a Bondholders' Meeting or instigate a Written Procedure pursuant to Clause 15.1.5 or 15.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Bondholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

15.2 **Convening a Bondholders' Meeting**

15.2.1 The Agent shall convene a Bondholders' Meeting by way of notice to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

15.2.2 The notice pursuant to Clause 15.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

15.2.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.

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

15.3 **Instigation of Written Procedure**

15.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders as soon as practicable and in any event no later than five (5) Business Days

after receipt of a complete communication from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

15.3.2 A communication pursuant to Clause 15.3.1 shall include (i) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (ii) 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 (iii) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 15.3.1). The reasons for, and contents of, each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. If the voting is to be made electronically, instructions for such voting shall be included in the communication.

15.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 15.3.1, when consents from Bondholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 15.4.2 and 15.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15.4.2 or 15.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

15.4 **Majority, quorum and other provisions**

15.4.1 Only a Bondholder or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to act on behalf of a Bondholder*) from a Bondholder:

- (a) on the Record Date specified in the notice pursuant to Clause 15.2.2 in respect of a Bondholders' Meeting, or
- (b) on the Record Date specified in the communication pursuant to Clause 15.3.2, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the Adjusted Nominal Amount. Each whole Bond entitles to one vote and any fraction of a Bond voted for by a person shall be disregarded. Such Record Date specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

15.4.2 The following matters shall require the consent of Bondholders representing at least two thirds (2/3) of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.3.2:

- (a) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at

any time exceed, SEK 2,000,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);

- (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
 - (c) a change to the Interest Rate or the Nominal Amount;
 - (d) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of proceeds*);
 - (e) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 15.4 (*Majority, quorum and other provisions*);
 - (f) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
 - (g) a mandatory exchange of the Bonds for other securities; and
 - (h) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 13 (*Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- 15.4.3 Any matter not covered by Clause 15.4.2 shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 15.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 16.1(a) or (c)), and acceleration of the Bonds.
- 15.4.4 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 15.2.4 (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 15.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 15.4.6 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 15.2.1) or initiate a second Written Procedure (in accordance with Clause 15.3.1), as the case may be, provided that the person(s) who initiated the procedure for Bondholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Bondholders' Meeting or second Written Procedure pursuant to this

- Clause 15.4.6, the date of request of the second Bondholders' Meeting pursuant to Clause 15.2.1 or second Written Procedure pursuant to Clause 15.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 15.4.4 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 15.4.7 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 15.4.8 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 15.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such person is a Bondholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 15.5 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- 15.6 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 15.7 If a decision is to be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies as per the Record Date for voting, 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 for determining whether a Bond is owned by a Group Company.
- 15.8 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Bondholder on the date referred to in Clause 15.4.1(a) or 15.4.1(b), as the case may be and also be published on the websites of the Group and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

16. AMENDMENTS AND WAIVERS

- 16.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree in writing to amend the Finance Documents or waive any provision in a Finance Document or any other document relating to the Bonds, provided that:
- (a) in the opinion of the Agent and/or as confirmed by a reputable external expert engaged by the Agent, such amendment or waiver is not detrimental to the interest of the Bondholders as a group; or
 - (b) such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes; or
 - (c) such amendment or waiver is required by any applicable regulation, a court ruling or a decision by a relevant authority; or
 - (d) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*).
- 16.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 16.3 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 16.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.4 (*Availability of Finance Documents*), and shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 16.4 An amendment to the Finance Documents shall take effect on the date determined by the Bondholders' Meeting, in the Written Procedure or by the Agent, as the case may be.

17. APPOINTMENT AND REPLACEMENT OF THE AGENT

17.1 Appointment of the Agent

- 17.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw: *företagsrekonstruktion*) or bankruptcy (Sw: *konkurs*). By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 17.1.2 Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.

- 17.1.3 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 the Finance Documents.
- 17.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 17.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

17.2 **Duties of the Agent**

- 17.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents. However, the Agent is not responsible for the content, due execution, legal validity or enforceability of the Finance Documents.
- 17.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 17.2.3 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 the Finance Documents.
- 17.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 17.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents, or (iii) as otherwise agreed between the Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of proceeds*).
- 17.2.6 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 the Finance Documents.
- 17.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.

- 17.2.8 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 17.2.9 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 17.2.8.
- 17.2.10 The Agent's duties under these Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms and Conditions and upon instructions from the Bondholders, unless otherwise set out in these Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person.
- 17.2.11 The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.
- 17.2.12 Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- 17.3 Liability for the Agent**
- 17.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 17.3.2 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 Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 17.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 17.3.4 The Agent shall have no liability to the Bondholders or to the Issuer for damage caused by the Agent acting in accordance with instructions of the Bondholders given to the Agent in accordance with the Finance Documents.

17.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

17.3.6 The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other person.

17.4 **Replacement of the Agent**

17.4.1 Subject to Clause 17.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

17.4.2 Subject to Clause 17.4.6, if the Agent is Insolvent, 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.

17.4.3 A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.

17.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of debt issuances.

17.4.5 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 the Finance Documents.

17.4.6 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.

17.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

17.4.8 In the event that there is a change of the Agent in accordance with this Clause 17.4, the Issuer shall execute such documents and take such actions as the new Agent may

reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

18. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

18.1 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.

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

19. THE CSD

19.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.

19.2 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 Bondholder. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

20. NO DIRECT ACTIONS BY BONDHOLDERS

20.1 A Bondholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw: *företagsrekonstruktion*) or bankruptcy (Sw: *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents.

20.2 Clause 20.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents 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 Bondholder to provide documents in accordance with Clause 17.1.2), 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 the Finance Documents or the Agency Agreement or by any reason described in Clause 17.2.8, such failure must continue for at least forty (40) Business Days after notice

pursuant to Clause 17.2.9 before a Bondholder may take any action referred to in Clause 20.1.

- 20.3 The provisions of Clause 20.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event, Bond De-listing Event or a Listing Failure Event*) or other payments which are due by the Issuer to some but not all Bondholders.

21. PRESCRIPTION

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

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

22. NOTICES AND PRESS RELEASES

22.1 Notices

- 22.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (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, if sent by email by the Issuer, to the email address 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, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
- (c) if to the Bondholders, shall be given at their addresses as registered with the CSD, on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier or personal delivery (if practically possible) or by letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.

- 22.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, 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 22.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 22.1.1, or, in case of email, when received in readable form by the email recipient.

22.1.3 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

22.2 **Press releases**

22.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3.2 (*Voluntary total redemption*), 9.4.2 (*Early redemption due to illegality*), 10.1.2 (*Change of Control Event, a Bond De-listing Event or a Listing Failure Event*), 13.4 (*Event of Default*), 15.2.1 (*Convening a Bondholders' Meeting*) and 15.3.1 (*Instigation of Written Procedure*) shall also be published by way of press release by the Issuer or the Agent, as applicable.

22.2.2 In addition to Clause 22.2.1, if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders 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 Bondholders 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 Bondholders, the Agent shall be entitled to issue such press release.

23. **FORCE MAJEURE AND LIMITATION OF LIABILITY**

23.1 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.

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

23.3 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.

23.4 The provisions in this Clause 23 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

24. **GOVERNING LAW AND JURISDICTION**

24.1 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.

24.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw: *Stockholms tingsrätt*).

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

Place: Stockholm

Date:

M2 ASSET MANAGEMENT AB (PUBL)
as Issuer

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

Place: Stockholm

Date:

NORDIC TRUSTEE & AGENCY AB (PUBL)
as Agent

APPENDIX 1

COMPLIANCE CERTIFICATE

To: Nordic Trustee & Agency AB (publ)

From: M2 Asset Management AB (publ)

Dated: [•]

SEK 2,000,000,000 Senior Unsecured Bonds 2020/2023 issued pursuant the terms and conditions dated 2 July 2020 (the “Terms and Conditions”)

We refer to the Terms and Conditions. This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this compliance certificate.

This Compliance Certificate relates to:

[DATE]

[PERIOD]

We confirm that no Event of Default has occurred and is continuing.

The calculations are based on the following figures:

(a) Total Assets [•]

(b) Equity [•]

We confirm that as of [•]⁶:

(i) in relation to any investment, not less than 75 per cent. of the Total Assets less cash and cash equivalents, but including the said investment were Real Estate Related Assets; and that

(ii) the Equity Ratio was [•]

M2 Asset Management AB (publ)

Name:

Name:

⁶ The date of the relevant available financial statement

12 ADDRESSES**M2 Asset Management AB (publ)**

Bredgränd 4

111 30 Stockholm

Tel: 010-706 00 00

www.m2assetmanagement.se

Nordea Bank Abp

105 71 Stockholm

Walthon Advokater AB

Box 716

114 11 Stockholm

Nordic Trustee & Agency AB (publ)

Box 7329

103 90 Stockholm

Mikael Östblom

Grant Thornton Sweden AB

Box 7623

103 94 Stockholm

Euroclear Sweden AB

Box 191

Klarabergsviadukten 63

101 23 Stockholm