



Catella AB (publ)

relating to the listing of

up to a maximum SEK 750,000,000 Senior Unsecured Floating Rate
Bonds due 2022

ISIN: SE0009994718

Joint Bookrunners



Prospectus dated 27 July 2017

IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Catella AB (publ) (the "**Issuer**", or "**Catella**" or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Sweden, having its headquarters located at the address, Birger Jarlsgatan 6, 102 40 Stockholm, with reg. no. 556079-1419, in relation to the application for the listing of the senior unsecured floating rate bonds denominated in SEK (the "**Bonds**") on the corporate bond list on Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Nordea Bank AB (publ) has acted as issuing agent in connection with the issue of the Bonds (the "**Issuing Agent**"). ABG Sundal Collier AB and Nordea AB (publ) has acted as joint bookrunners (the "**Joint Bookrunners**"). This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) (the "**Trading Act**") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Regulation**"). The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA's website (fi.se) and the Issuer's website (catella.com).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 43 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

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

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

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

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

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

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

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

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RISK FACTORS

Investment in Bonds is associated with a number of risks. Numerous factors affect or may affect the Group's operations, both directly and indirectly. Risk factors and major circumstances deemed to be of importance for the Group's business and future development are described below in no particular order or priority and without claim to be exhaustive. If any of these or other risks or uncertainties actually occurs, the business, operating results and financial condition of the Group could be materially and adversely affected, having a material adverse effect on the Group's ability to meet its obligations (including repayment of the principal amount and payment of interest) under the Bonds. Other risks as yet unknown to the Issuer, or which the Issuer at present deems to be insignificant, may also adversely affect the Group and adversely affect the price of the Bonds and the Group's ability to service its debt obligations. Apart from this section, an investor should also carefully consider the other information in this Prospectus and make an independent evaluation before making an investment decision.

RISKS RELATING TO THE MARKET, THE INDUSTRY AND THE ISSUER

Catella is affected by macroeconomic factors, general market conditions and the level of economic activity in Europe

An adverse change in economic conditions in Europe, and/or a decline in the GDP of one of the countries or on one of the markets in which Catella operates, or on the market in any other country which, in turn, affects the countries or markets in which Catella operates, is likely to have an effect on Catella's business. Factors that could have an adverse effect on the general conditions on the markets and reduce economic activity in Europe include a decline in the rate of employment, confidence of consumers and businesses in the future, household disposable income, household debt, house prices, currency markets, inflation, the availability of loans and cost of borrowing, liquidity on the financial markets, and market interest rates. The *Corporate Finance* operating segment operations are primarily affected by the willingness of the market to enter into transactions, which, in turn, is determined by macroeconomic developments and access to debt financing. Asset management is affected by market developments on the Nordic exchanges and by growth on the real estate market. There is a risk that poorer market conditions and a decline in economic activity reduces the demand for Catella's products and services, having an adverse effect on the Group's business, financial position and results of operations.

Catella's business and results of operations could be adversely affected by market risk

Market risk is defined as the risk of loss or declining future revenues resulting from changes in interest rates, exchange rates and share prices, including price risk relating to disposals of assets or closures of positions. Other than in the area of finance management, all trading in financial instruments by the Group is customer-based, and no trades are executed for the purposes of trading or speculation. Catella's investments in loan portfolios are primarily exposed to market price risk when the value of these investments changes and in the event of changes in interest rates that reduce any interest income. The investments in the loan portfolios bear variable interest or have underlying assets bearing variable interest, and are valued based on a market-based credit spread based on a base rate, such as EURIBOR. There is a risk that an increased credit spread could directly affect Catella by impacting unrealised gains or losses on portfolio investments, and consequently the ability for Catella to make a profit on the investments, or indirectly by affecting Catella's ability to borrow and obtain access to capital.

Notwithstanding that the trading in financial instruments referred to above is customer-based, entailing that the market price risk is limited in the area of asset management, Catella Bank S.A. (being a subsidiary of the Issuer) is indirectly exposed to market price risk in respect of the value of security that has been provided for customers' loans and other obligations. Accordingly, the market risk could have an adverse effect on the Group's business, financial position and results of operations.

Catella could be unsuccessful in creating synergy effects by means of greater integration within the Group

As of the date of this Prospectus, Catella conducts business in 12 countries in Europe within a number of different lines of business. The businesses are, to a varying degree, independent organisations with their own support systems and support functions. In 2015, Catella carried out extensive changes in relation to the organisation and employees with a clear objective and, in some cases, changed focus and increased the coordination of initiatives in order to create a more integrated organisation. The Group's objective is to continue to develop the integration at Catella to exploit the Group's full potential and achieve synergy effects. There is a risk that Catella may be unsuccessful in this strategy, or encounter problems relating to conflicts of interest, resulting in Catella being unsuccessful in realising potential synergies.

Catella's employees or external consultants could harm Catella's reputation and cause other adverse effects for the Group

Significant aspects of the business carried on by Catella, such as in the *Corporate Finance* and *Wealth Management* services divisions, rely on there being confidence in Catella as an operator or in the employee with whom the customer primarily communicates. Therefore, Catella's reputation is key to its ability to retain and develop relationships with existing and potential customers, but also in respect of employees, public authorities and other parties with whom Catella cooperates and conducts business. The Group's employees or external consultants could perform their work in such a way that has an adverse effect on Catella's reputation or business. Accusations that Catella's employees have failed to perform their work correctly, or established or alleged misconduct by other operators in the financial services market could damage Catella's reputation. Mismanagement or misconduct by the Group's employees or other external parties could result in supervisory authorities claiming or establishing (based on such mismanagement or misconduct) that Catella has failed to implement satisfactory supervisory systems and procedures to inform employees about applicable rules, or to detect and manage infringements of such rules. As a result, there is a risk that adverse regulatory measures could be imposed on Catella, including fines and other sanctions. There is a risk that the measures taken by the Group to detect and prevent mismanagement and misconduct could be, or could have been, insufficient. If Catella's reputation is damaged, this could adversely affect Catella's ability to attract new customers, retain existing customers, maintain relationships with external parties, and obtain financing, having an adverse effect on the Group's business, financial position and results of operations.

An inability to recruit and retain key employees and senior management could have an adverse effect on Catella's business

Catella's performance and future growth are dependent on the work that is performed, and the knowledge and expertise possessed, by Catella's employees. This is primarily the case in Catella's employee-intensive *Corporate Finance* business area and *Property Asset Management* services

segment within the *Property Investment Management* business area. The ability for Catella to continue to compete effectively and develop new areas is dependent on its ability to attract new employees and retain and motivate existing employees. There is a risk that a loss of key employees who contribute significantly to Catella's business or sales, and difficulties in recruiting and retaining good employees in the future could have an adverse effect on Catella's business, both in the short-term and the long-term, hence having an adverse effect on the Group's business, financial position and results of operations.

Catella is exposed to operational risks

All operational activities are associated with the risk that losses will be incurred due to deficient procedures and/or irregularities or internal or external events causing disruptions or harm to the business. IT systems are an important component of the Group's business, particularly at the subsidiary, Catella Bank S.A., where there are particularly large operating risks since substantial volumes/transactions are administered in real-time systems requiring availability 24 hours a day. There is a risk for deficiencies in the operational security or that the Group's IT system fails or is subject to stoppages or delays in the transfer of information, having an adverse effect on the Group's business, financial position or results of operations.

Catella's earnings are largely dependent on the development within the Equity, Hedge and Fixed Income Funds business area

Within the *Equity, Hedge and Fixed Income Funds* business area, Catella conducts business within the *Mutual Funds* and *Systematic Funds* services areas. As of 31 March 2017, the *Equity, Hedge and Fixed Income Funds* business area accounted for a significant proportion of Catella's total earnings. There is a risk that a decline in market conditions or other factors that make it more difficult for these business areas to retain current or future profit margins has an adverse effect on the Group's business, financial position or results of operations.

The business relating to the *Systematic Funds* services area is conducted via IPM Informed Portfolio Management BV (the holding company) and Catella's subsidiary IPM Informed Portfolio Management AB. Catella owns approximately 40.1% of the share capital directly in IPM Informed Portfolio Management BV and approximately 20.5% of the share capital directly in IPM Informed Portfolio Management AB. Consequently, through its direct and indirect ownership, Catella owns approximately 50.7% of the share capital in IPM Informed Portfolio Management AB. IPM Informed Portfolio Management AB is currently being consolidated as a subsidiary of Catella based on Catella's ownership combined with provisions of a shareholders' agreement relating to the subsidiary. The shareholders' agreement expires on 24 November 2017 unless it is renewed prior to such date. If the shareholders' agreement is not extended, this could have an adverse effect on the ability for Catella to consolidate IPM Informed Portfolio Management AB resulting in a decline in Catella's influence over the business.

The Corporate Finance operating segment is exposed to seasonal variations and is dependent on a well-functioning credit market

Catella's *Corporate Finance operating segment* is exposed to considerable seasonal variations, resulting in variable sales and earnings during the year. In the *Corporate Finance operating segment*, the transaction volumes are generally at their highest during the fourth quarter, followed by the second quarter, followed by the third and first quarter. Therefore, earnings during an individual quarter are not necessarily representative of the performance of the

Corporate Finance operating segment. The *Corporate Finance* operating segment is also dependent on the credit market functioning effectively. In turn, the credit market affects the real estate transactions market, which is Catella's primary market in the area of *Corporate Finance*. Therefore, there is a risk for disruptions to the credit market and the resulting decline in opportunities for various parties to raise loans, having an adverse effect on the Group's sales and earnings.

The value of some of Catella's assets could change if the underlying conditions and the assumptions for valuing the assets need to be adjusted

Catella makes estimates and assumptions about the future that form the basis for valuing certain assets. The valuations for accounting purposes that result from these estimates and assumptions will, by definition, rarely correspond to the actual results. Therefore, there is a risk that, in the future, assets will be appraised at a lower value than their written-down value.

Catella's subsidiary, European Equity Tranche Income Ltd ("**EETI**") has invested in securitised European loans with primary exposure to housing. As of 31 March 2017, the value of Catella's loan portfolios was SEK 252 million. The valuation of the loan portfolios is based on a large number of parameters, including estimated future cash flows. The market for these loan portfolios, subordinated securities with security in assets, is currently illiquid. Accordingly, the majority of the loan portfolios are illiquid, but not all. As a result, the valuation model includes a number of parameters that are non-discernible market data, which leads to considerable uncertainty. There is a risk that changes in the assessments underlying the selected parameters results in a change to the true value of Catella's loan portfolios in the Group's report of its financial position, and such change could be significant.

Nordic Light Fund is a fund product managed by Catella Bank S.A. that contains securitised loan portfolios. As of 31 March 2017, the value of Catella's fund units in Nordic Light Fund is SEK 11 million. The valuation of the loan portfolios is based on a large number of parameters, including estimated future cash flows for the loan portfolios, similarly to as described above for securitised loan portfolios. There is a risk that changes in the assessments underlying the selected parameters results in a change to the true value of the fund units.

As of 31 March 2017, on its balance sheet Catella had goodwill amounting to SEK 292 million and trademarks amounting to SEK 50 million, which is subject to an annual (or more often where the need arises) assessment of write-down requirements. There is a risk that write-downs of the Issuer's goodwill may need to be made in the future. If the Issuer is required to write down goodwill, this will be reported in the income statement. Each time goodwill is significantly written down, this adversely affects Catella's earnings.

As of 31 March 2017, Catella reported deferred tax claims of SEK 96 million, the majority of which consist of loss carry forwards whose valuation is based on an assessment of the Group's future earnings. Primarily two types of assumptions and assessments affect the reported deferred tax. These are assumptions and assessments for both establishing the written-down value of different assets and liabilities, and assessments as to whether taxable gains will exist in the future to enable the temporary difference to be realised. There is a risk that changes in assumptions and assessments about the future, has the effect that the assets may need to be written down, and adversely affect Catella's earnings.

Catella operates on competitive markets and the Group could be unsuccessful in competing on these markets

The Group has competitors on all of its geographic markets and within all of its business areas. Its competitors consist of both large, well-established, financially strong companies and smaller niche companies that are particularly competitive within certain groups of products/services. Some of the competitors may have competitive advantages over Catella, such as the ability to offer a wider range of services to customers, a higher degree of specialisation, or a larger local focus, and more substantial financial, marketing and other resources than the Group has at present. In addition, in the future, Catella could be exposed to competition from new operators. Furthermore, any increase in the volume of financial regulations would lead to increased costs for regulatory compliance making it more difficult for smaller and more specialist operators to retain their competitive edge, resulting in greater consolidation in the industry. There is a risk that Catella's position on existing markets rapidly decline due to changes in the competitive landscape, having an adverse effect on the Group's business, financial position and results of operations.

Regulatory Risks

Aspects of Catella's business in the operating segment Asset Management and Banking are dependent on permits issued by relevant supervisory authorities

The majority of Catella's operations within the operating segment *Asset Management and Banking* require a permit. Consequently, these operations may only be conducted with, and are dependent on, permits from relevant supervisory authorities. The companies in the Group that conduct business within the operating segment *Asset Management and Banking* have been granted permits and are subject to the supervision of authorities in the jurisdiction in which the relevant company is established, i.e. Sweden, Luxembourg and Germany. Following a notification procedure, each company's respective permit is transferable to enable the company to conduct operations within other countries in the EEA, either via a branch or by means of cross-border business. Catella has made such notifications and conducts cross-border business within the EEA, and, as regards the *Banking* operations, via a branch in Sweden as well. There is a risk that different local rules and regulations could apply in countries in which Catella conducts cross-border business and business via a branch. Catella's permits are perpetual, but revocable. In addition, the supervisory authorities in Sweden, Luxembourg and Germany could take action against the Group by imposing sanctions and fines or ordering the companies in the Group to take certain action, or alternatively by revoking the relevant permit held by Catella.

There is a risk that in the event significant sanctions and/or fines are imposed on Catella, considerable, and potentially irreparable, damage is caused to Catella's reputation, and that business, financial position and results of operations of Catella declines. The permanent or temporary loss of one or more of the permits Catella has been granted would oblige Catella to discontinue all or parts of its operations within the operating segment *Asset Management and Banking*, having an adverse effect on the Group's business, financial position and results of operations.

Aspects of Catella's business are subject to extensive regulation, supervision and regulatory changes, and there is a risk that relevant supervisory authorities could take the view that Catella is not in full compliance with, or is in breach or has previously breached, applicable rules and regulations

As described above, the majority of Catella's operations in the operating segment *Asset Management and Banking* are subject to the supervision of public authorities and extensive rules and regulations and supervision in a number of the jurisdictions in which Catella operates. Catella is required to comply with applicable rules and regulations for its operations that require a permit, including concerning the way in which the business must be conducted, money laundering, personal data processing, payments and payment services, investment services, banking business, fund operations, management of alternative investment funds, capital requirements, reporting, regulatory compliance, internal governance and control, outsourcing, and tax. These applicable rules and regulations could differ significantly from jurisdiction to jurisdiction, and there is a risk that measures that have been taken to comply with rules in one jurisdiction is not sufficient in terms of compliance with rules in another jurisdiction.

Within the *Banking* business area, Catella works continuously to adapt its business to become and maintain in compliance with new and amended laws and regulations applicable for the business segment. As a result of such work, improvements have been, and continues to be, implemented. There is a risk that Catella is unsuccessful in implementing relevant improvements or making relevant adaptations, or that such actions leads to increased costs and workload for Catella, having an adverse effect on the Group's business, financial position and result. In addition, there is also a risk that supervisory authorities in relevant countries could form the view that Catella's operations are not being fully conducted, or are considered to have not been fully conducted, in compliance with applicable rules and regulations, having an adverse effect on Catella's business, financial position and results of operations. For example, Catella could be subject to a number of sanctions imposed by relevant supervisory authorities. In the future, Catella could be unsuccessful in complying with all or certain applicable rules and regulations, and there is a risk that relevant public authorities will not interpret applicable rules and regulations in the same way as Catella. Furthermore, courts and public authorities could apply these rules differently to Catella, resulting in the imposition of sanctions or the need for Catella to change its business strategy or business. If Catella is considered to have been unsuccessful in complying with applicable rules and regulations, there is a risk that Catella's reputation is damaged, and that Catella is subject to sanctions and fines and/or have a permit revoked, having an adverse effect on Catella's reputation, business, financial position and results of operations.

Catella is exposed to risks arising due to changes to rules and regulations

The majority of Catella's operations within the operating segment *Asset Management and Banking* are conducted in a regulatory environment that is under continual evaluation, review and change. Applicable rules and regulations are undergoing significant changes and have generally been tightened since the 2008 financial crisis. For example, MiFID II¹, the so-called Fourth Money Laundering Directive², and PSD 2³ are currently in the process of being implemented into national legislation. Therefore, Catella is exposed to risks that could arise as a result of uncertainty concerning regulatory changes. This includes the risk that the conditions for Catella's business could change due to changes in the interpretation of existing rules, the

¹ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

² Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC.

³ Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC.

implementation of new rules and regulations, or other regulatory changes. Catella is also affected by the extent to which rules and regulations vary between the jurisdictions in which Catella conducts business. In addition, there is a risk that the demand from customers for Catella's services and products is affected by developments and changes in the regulatory environment, including the interpretation, application and enforcement of applicable rules and regulations by supervisory authorities, resulting in adverse publicity for Catella or the industry as a whole.

Furthermore, costs for internal governance and control could increase, including the control of regulatory compliance, due to increasingly more extensive rules and regulations. There is a risk that fundamental conditions for Catella's business or the regulatory environment could change or develop, having an adverse effect on the Group's business, financial position and results of operations.

Risks relating to changes in the supervision of Catella's consolidated situation

The Issuer and the companies in the Group that conduct business subject to the supervision of a Swedish or foreign supervisory authority constitute what is referred to as a "consolidated situation". In March 2016, the supervisory authority in Luxembourg, Commission de Surveillance du Secteur Financier ("**CSSF**") informed the Issuer that the Issuer and its financial subsidiaries constitute a consolidated situation under Luxembourg law and that CSSF intends to exercise supervision over the consolidated situation as from the first quarter in 2016. Prior to that, the Swedish Financial Supervisory Authority exercised supervision over the consolidated situation. The Issuer's assessment as to which companies in the Group will be included in the consolidated situation under Luxembourg law has not yet been confirmed by CSSF. Pending final confirmation from CSSF, Catella has continued to file accounts for the companies in the Group included in the consolidated situation based on the Issuer's earlier assessment that applied when the Swedish Financial Supervisory Authority exercised the equivalent supervision.

There is a risk that the consolidated situation will be assessed differently by CSSF, resulting in changes to capital and liquidity requirements and other regulatory requirements. If CSSF takes the view that there is a shortage of capital, potentially leading to a requirement for Catella to acquire additional capital, carry profits forward, or freeze outgoing payments. Catella may need to acquire additional capital by, for example, issuing new shares or other securities or having recourse to shareholders' equity intended for the business, which could affect its development and growth. There is a risk that, if any of the risks referred to above were to be realised, the Group's business, financial position and results of operations is adversely affected.

Catella's Banking operations are required to satisfy capital adequacy and liquidity requirements and are thereby exposed to the risk of changes to applicable capital adequacy and liquidity requirements

Catella Bank S.A. (in its capacity as a bank) and the Issuer are subject to extensive rules and regulations relating to capital adequacy and liquidity requirements, which are primarily governed by the package of rules and regulations comprising CRD IV and CRR, which collectively implement the Basel III Accord within the European Union (jointly the "**Basel III Rules**"). The Basel III Rules contain certain capital adequacy requirements that are intended to be changeable over time and, among other things, dependent on the existence of cyclical and structural system risks. Catella is required at all times to comply with the specified capital adequacy and liquidity ratios, and have access to sufficient capital and liquidity. If CSSF considers it necessary, the

authorities could also impose higher capital adequacy requirements on Catella. Consequently, Catella is exposed to the risk of changes to applicable capital adequacy and liquidity rules, changes in CSSF's assessment of the banking operations in relation to the statutory requirements, and the introduction of new rules and regulations. There is also a risk that relevant public authorities could take the view that Catella is not in full compliance with the requirements imposed in applicable rules and regulations or that Catella is in breach of these rules and regulations, resulting in further unexpected requirements in relation to the capital adequacy, debt, liquidity and financing ratios Catella is required to satisfy, or changes in how such ratios are to be calculated, and hence having an adverse effect on the Group's financial position and results of operations.

Catella is also exposed to the risk that the business will develop in a manner that could lead to a decline in its revenues, and affect Catella's capital coverage. There is a risk that a shortage of capital, or the market's view that there is a shortage of capital, results in requirements being imposed by public authorities to acquire additional capital, to carry profits forward, or to freeze outgoing payments. Catella may need to require additional capital by, for example, issuing new shares or other securities or having recourse to shareholders' equity intended for the business, which could affect its development and growth. There is a risk that, if any of the risks referred to above were to be realised, the Group's business, financial position and results of operations is adversely affected.

There is a risk that Catella will not be in compliance with applicable legislation and rules governing the processing of personal data

The ability for Catella to collect, retain, share and otherwise process information about customers is governed by personal data legislation, confidentiality requirements and other regulatory restrictions. For example, personal data may only be collected for specific, expressly stated and legitimate purposes, and may only be processed in accordance with these purposes. Personal data collected must also be sufficient and relevant, and more personal data than is necessary (taking into account the purposes of the processing) may not be collected or processed. Furthermore, personal data may not be saved for a period that is longer than necessary to achieve the purposes for which it has been collected. There is a risk that Catella's security procedures concerning the personal data of customers, and other procedures for protecting personal data, are insufficient for preventing the disclosure or processing of personal data contrary to applicable legislation or agreements, and that IT and system failures or defects leads to the loss of customers' personal data or other information. Deficient screening procedures could, for example, result in more personal data being processed than is permissible, and deficient procedures for separating personal data could result in Catella, in its capacity as personal data processor, processing personal data in breach of an agreement. If it is considered that Catella's policies, processes or systems are not in compliance, or are considered to have previously not been in compliance, with applicable personal data processing legislation and rules and regulations, there is a risk that the Group's business, financial position and results of operations is adversely affected.

Legal Risks

Changes to tax legislation or compliance requirements, or their practical interpretation and application, could have an adverse effect on the Group's business, results of operations and financial position

Catella conducts business and is subject to taxation in a number of countries with different fiscal rules and regulations. There is a risk that the Issuer's interpretation and application of applicable legislation, tax treaties and rules, as well as case law of the courts and tax authorities, is incorrect or changes, potentially with retroactive effect. The Issuer's tax situation could change based on decisions from relevant public authorities, which could have an adverse effect on the Group's business, financial position and results of operations. Tax authorities could have a different opinion to that of the Issuer, particularly with respect to transactions between Group companies in different countries (referred to as "transfer pricing issues") or, for example, concerning the application of the VAT exemption in the finance sector. There is a risk that tax losses from previous years in several countries are reduced and/or frozen in the event of, for example, a change of ownership or regulatory changes that restrict the right to make tax deductions. Furthermore, in several countries, discussions are ongoing in relation to the perceived beneficial taxation of companies in the finance sector based on the VAT exemption for financial services within the EU, and the need to increase the tax rates in the sector in general. The introduction of new taxes and/or changes to existing tax legislation applicable to the Issuer's business could have an adverse effect on the Group's business, financial position and results of operations.

Disputes, claims, investigations and legal actions could result in Catella having to pay damages

Companies in the Group are involved in a small number of disputes or legal actions that have arisen in the ordinary course of business. In addition, Catella and its subsidiaries (or such company's officers, managers, employees or related parties) could in the future be the object of criminal investigations and other investigations by public authorities. There is a risk that disputes, claims, investigations and actions of this nature are time-consuming, disrupt normal operations, involve substantial sums of money, have an adverse effect on the Group's reputation, and result in the imposition of both fines and/or legal sanctions and measures as well as the incurrence of significant costs. If such disputes, claims, investigations and legal action were to arise and Catella is held liable, there is a risk that the claims are not covered in full by the Group's insurance coverage. There is also a risk that disputes, claims, investigations and legal action in the future have an adverse effect on the Group's business, financial position and results of operations. Further, Catella has issued guarantees and warranties to the purchaser of a divested subsidiary covering future disputes and claims from customers relating to inaccurate financial advice. If such disputes or claims should arise and Catella is held liable, there is a risk that the Group's reputation, financial position and results is affected.

Financial Risks

Catella could experience difficulties in the future to raise financing on terms that are reasonable to the Group, if at all

Refinancing risk is defined as the risk that financing cannot be obtained at a particular time, that financing can only be obtained at greater expense, or that lenders have difficulty in discharging their obligations. The Group may in the future be required to refinance certain or all of its outstanding debt, including the Bonds and loans. The Group's ability to successfully refinance its debt depends, among other things, on the conditions of the bank market, the capital markets and the Group's own financial condition at such time. There is a risk that the Group's access to financing sources is not available on favourable terms or not available at all, having a material adverse effect on the Group's business, operations, earnings and results and on the prospects of recovery by the bondholders under the Bonds.

Catella is exposed to liquidity risk, which could result in Catella being unable to perform its payment obligations, being unable to refinance its existing assets, or being incapable of satisfying more onerous liquidity requirements

Liquidity risk is the risk that, within a defined period of time, Catella will be unable to refinance its existing assets or will be incapable of satisfying more onerous liquidity requirements. Liquidity risk also entails the risk that Catella will be compelled to borrow at an unfavourable interest rate or required to sell assets at a loss in order to be able to perform its payment obligations. As of 31 March 2017, Catella's liquid funds amounted to SEK 2.435 billion in the form of bank balances (of which liquid funds relating to the banking operations amounted to SEK 1.794 billion and liquid funds relating to other operations amounted to SEK 641 million) and, in addition, access to an overdraft facility of SEK 30 million. There is a risk that the Issuer's sources of liquidity prove to be insufficient, having an adverse effect on the Group's business, financial position and results of operations.

In respect of the Group's investments in loan portfolios, the primary financial obligations consist of payments of operating expenses. These obligations are satisfied by cash flows from the individual loans in the acquired loan portfolios. Therefore, notwithstanding that the loan portfolios have limited financial obligations themselves, the Group's ability to procure funds to maintain its financial obligations are affected if the Issuer has difficulty selling assets. Even if the majority of investments in loan portfolios are illiquid, this is not the case for all of the investments. A small number of investments are over-the-counter (OTC) transactions that are not registered in accordance with current securities legislation, which limits the transfer, sale, pledging or other disposal of these investments, other than with respect to transactions that are not required to be registered in accordance with, or as otherwise follows from, this legislation. If the Group's liquidity were to change and if, for liquidity reasons, the Group is thereby required to liquidate some or all of the loan portfolio, there is a risk that the opportunities to change this portfolio in a short period of time at a reasonable price are limited due to changes in economic and other conditions, having an adverse effect on the Group's business, financial position and results of operations.

Catella is exposed to interest rate risk that could result in increased expenses arising from changes in market rates

In order to finance its operations, the Group has raised debt financing primarily in SEK at a variable interest rate. The Group is exposed to interest rate risk in that changes in interest rates will affect the Group's net earnings, and particularly Catella Bank S.A. The interest expenses are affected not only by the extent of interest-bearing liabilities, but also primarily by relevant market interest rates and credit institutions' margins, as well as by the strategy the Group chooses to fix interest rates. Market interest rates are primarily affected by the expected rate of inflation. Short-term interest rates are primarily affected by the official bank rate of the Bank of Sweden (Sw. *Riksbanken*), which constitutes an instrument for assisting monetary policy. In times of rising inflation expectations, interest rates are expected to rise, and in times of declining inflation expectations, interest rates are expected to fall. The longer the average fixed interest rate period the Group has on its loans, the longer it takes before a change in the interest rate will have any impact on the Group's interest expenses. Higher rates of interest and increased interest expenses would adversely affect the Group's business, financial position and results of operations.

Catella's business is subject to capital adequacy requirements and is therefore exposed to capital risk

In respect of some of the subsidiaries in the Group, primarily within the operating segment *Asset Management and Banking*, capital adequacy requirements are imposed. In the event of changes to rules and regulations and changes to each subsidiary's asset pool and related risks, further capital could be required to comply with capital adequacy rules in the future. There is a risk that more onerous capital adequacy requirements has an adverse effect on the Group's business, financial position and results of operations.

Exposure to currency risks could have an adverse effect on the Group's cash flow and income statement and balance sheet

The Group conducts business in a number of countries and is therefore exposed to currency risks arising from exposures to different currencies. Catella is exposed to currency risks when fluctuations occur between the Issuer's accounting currency (which is SEK) and foreign currencies used in conjunction with business transactions, reported assets and liabilities, and net investments in respect of foreign operations (known as transaction risk). Fluctuations in the EUR against the SEK is the largest single currency transaction exposure for the Group. For example, most of the revenues received by the subsidiary IPM Informed Portfolio Management AB are in foreign currency (generally USD and EUR), while the expenses are largely in SEK. With the exception of hedging of currency risks within the scope of Catella Bank S.A.'s and IPM Informed Portfolio Management AB's operations, no foreign currency hedging is currently taking place in respect of Catella's other operations. There is a risk that measures taken by the Group to hedge and otherwise manage the effects of exchange rate fluctuations prove to be insufficient, hence having an adverse effect on the Group's business, financial position and results of operations.

At Group level, foreign currency translation differences could arise when the income statements and balance sheets of foreign subsidiaries are consolidated (known as translation risk). Catella's employed capital is financed by way of loans in local currency and shareholders' equity. Catella's subsidiaries has equity in foreign currencies which means that the Group is exposed to exchange rate fluctuations. The Group is currently not taking any measures to hedge and otherwise manage the translation risk, which means that unfavourable exchange rate fluctuations will have an adverse effect on the Group's foreign net assets when translating to SEK and, therefore, having an adverse effect on the Group's business, financial position and results of operations.

The Group is exposed to various types of credit risks

Credit risk is defined as the risk that Catella's counterparties will be unable to perform their financial obligations to Catella. The various business divisions are exposed to credit risk to a different extent. The sales and transactions generated by the customer portfolio are also diversified in different ways, where either no customers or a small number of customers constitutes a significant proportion of total sales or loans. Therefore, even if a single customer's suspension of payments would have little effect as a whole, there is a risk that Catella's counterparties will be unable to perform their obligations. There is a risk that a number of counterparties are unable to perform their financial obligations to Catella, having an adverse effect on the Group's business, financial position and results of operations.

The *Asset Management and Banking* operating segment engage in trading and lending of premium bonds and granting loans in conjunction with customers' acquisitions of shares and funds. Trading within this area primarily takes place on behalf of customers in connection with customers' transactions, but occasionally these transactions are conducted via a small trade on own account. All transactions executed on behalf of customers are governed by instructions from customers or agreed investment rules or fund rules.

Within the operating segment *Asset Management and Banking* including Catella Bank S.A., credit risk constitutes the largest risk exposure and is related to investments, loans to customers, credit card claims and other obligations to counterparties. Credit risks also exist in the Group's finance management division. Most of the Group's investments in loan portfolios consist of holdings in and/or economic exposure to securities which are subordinate in terms of payments and rank lower than securities that are secured by or represent ownership of the same type of asset. In the event of a payment default by an issuer in such investments, holders of higher ranking security from the issuer are entitled to receive payment in priority to Catella, potentially resulting in a suspension of the revenue flow on which Catella has based its investment portfolio. There is a risk that the revenues from such sales of security will be insufficient to repay Catella's investments in full, having an adverse effect on the Group's business, financial position and results of operations.

RISKS ASSOCIATED WITH THE BONDS

The Issuer is depending on other companies within the Group

A significant part of the Group's assets and revenues relate to the Issuer's direct and indirect subsidiaries. The Issuer is thus dependent upon receipt of sufficient income and cash flow related to the operations of the subsidiaries. Consequently, the Issuer is dependent on the subsidiaries' availability of cash and their legal ability to pay management fees and make dividends which may from time to time be restricted by corporate restrictions and law. Should the Issuer not receive sufficient income from its subsidiaries, there is a risk that the bondholders' ability to receive interest payments and the Group's financial condition is adversely affected.

The bondholders are exposed to credit risks

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

Interest rate risks in relation to the Bonds

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

Liquidity risks

Active trading in the Bonds does not always occur and hence there is a risk that a liquid market for trading in the Bonds will not form or will not be maintained. As a result, the bondholders may be unable to sell their Bonds when they so desire or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market or for a sale at par. Hence, there is a risk that a lack of liquidity in the market has a negative impact on the market value of the Bonds.

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

The market price of the Bonds may be volatile

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

Structural subordination and insolvency of subsidiaries

A significant part of the Group's assets and revenues are owned by and generated in the subsidiaries of the Issuer. The subsidiaries are legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. The ability of the subsidiaries to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers).

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

Security over assets granted to third parties

Subject to certain limitations set out in the Terms and Conditions, the Issuer may incur additional financial indebtedness and provide additional security for such indebtedness. If security is granted in favour of a third party debt provider, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Issuer, be subordinated in right of payment out of the assets being subject to security provided to such third party debt provider. In addition, if any such third party debt provider holding security provided by the Group were to enforce such security due to a default by any company within the Group under the relevant finance

documents, such enforcement could have a material adverse effect on the Group's assets, operations and, ultimately, the financial position of the bondholders.

Risks related to early redemption of the Bonds

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

No action against the Issuer and bondholders' representation

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

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

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

Bondholders' meetings

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

Risks relating to certain restrictions on the transferability of the Bonds

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

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

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

Risks relating to amended or new legislation

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

THE BONDS IN BRIEF

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

Issuer	Catella AB (publ).
The aggregate amount of the Bonds	The aggregate amount of the bond loan will be an amount of up to a maximum of SEK 750,000,000. The Issuer may choose not to issue the remaining amount of Bonds and may choose to issue the remaining amount of Bonds at one or more subsequent dates. At the date of this Prospectus, an initial amount of Bonds of SEK 500,000,000 have been issued on 15 June 2017.
Number of Bonds	Maximum 750.
ISIN	SE0009994718.
First Issue Date	15 June 2017.
Issue Price	100 per cent. of the Nominal Amount.
Interest Rates	Interest on the Bonds will be paid at a floating rate of three-month STIBOR plus 4.00 per cent. per annum.
Interest Payment Dates	15 March, 15 June, 15 September and 15 December of each year commencing on 15 September 2017. Interest will accrue from (but excluding) the Issue Date.
Nominal Amount	The Bonds will have a nominal amount of SEK 1,000,000 and the minimum permissible investment in the Bonds is SEK 1,000,000.
Status of the Bonds	The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.

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

- will at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured

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

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

Call Option The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 9.3 (*Voluntary total redemption*) of the Terms and Conditions.

Call Option Amount Call Option Amount means:

- (a) 100.0 per cent. of the Make Whole Amount, together with accrued but unpaid interest, if the Call Option is exercised any time before the First Call Date;
- (b) 102.00 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised any time from and including the First Call Date to, but excluding, the first Business Day falling thirty-six (36) months after the First Issue Date;
- (c) 101.60 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised any time from and including the first Business Day falling thirty-six (36) months after the First Issue Date to, but excluding, the first Business Day falling forty-two (42) months after the First Issue Date;
- (d) 101.20 per cent. of the Nominal Amount, together with accrued but

unpaid interest, if the Call Option is exercised any time from and including the first Business Day falling forty-two (42) months after the First Issue Date to, but excluding, the first Business Day falling forty-eight (48) months after the First Issue Date;

- (e) 100.80 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised any time from and including the first Business Day falling forty-eight (48) months after the First Issue Date to, but excluding, the first Business Day falling fifty-four (54) months after the First Issue Date; and
- (f) 100.40 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised any time from and including the first Business Day falling fifty-four (54) months after the First Issue Date to, but excluding, the Final Maturity Date.

Make Whole Amount..... Means an amount equal to:

- (a) the present value on the relevant record date of 102.00 per cent. of the outstanding Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the remaining coupon payments less any accrued but unpaid interest up to the relevant Redemption Date, through and including the First Call Date (assuming that the Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders),

each calculated by using a discount rate of 50 basis points over the comparable Swedish government bond

rate (i.e. comparable to the remaining duration of the Bonds until the mentioned date falling on the Final Maturity Date) and where "relevant record date" shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

- First Call Date** Means the date falling thirty (30) months after the First Issue Date.
- Final Maturity Date.....** Means 15 June 2022.
- Put Option.....** Upon a Change of Control Event, a Delisting Event or a Listing Failure Event, as applicable, occurring, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased (whereby the Issuer shall have an obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event, the Delisting Event or a Listing Failure Event, as applicable, pursuant to Clause 10.1(c) in the Terms and Conditions (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 Delisting Event or the Listing Failure Event, as applicable.
- Change of Control Event ...** Means the occurrence of an event or series of events whereby one or more persons, not being the Major Shareholders, acting together, acquire control over the Issuer and where "control" means (i) controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.
- Delisting Event.....** Means the occurrence of an event or series of events whereby the shares of the Issuer have ceased to be listed on the Regulated Market of Nasdaq Stockholm.
- Listing Failure Event.....** Means an event where (i) the Initial Bonds are not listed on a Regulated Market within 60 days from the First Issue Date, and/or (ii) any Subsequent Bonds are not listed on a Regulated Market within 20 days from the issuance of the Subsequent Bonds.

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

- restrictions on making any changes to the nature of their business;
- a negative pledge, restricting the granting of security for Market Loans (as defined in the Terms and Conditions);
- restrictions on the incurrence of Financial Indebtedness under Market Loans (as defined in the Terms and Conditions);
- limitations on the making of distributions and disposal of assets;
- limitations on dealings with related parties; and
- restrictions on mergers and demergers.

The Terms and Conditions contain a maintenance covenant, pursuant to which the Issuer shall procure that the equity of the Group on each specified test date amounts to not less than SEK 800,000,000.

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

Use of Proceeds..... The Issuer shall use the Net Proceeds from the issue of the Initial Bonds to refinance the Existing Bond Loan through settlement in cash, finance acquisitions and business development and for general corporate purposes.

The Issuer shall use the proceeds from the issuance of any Subsequent Bonds, less the costs and expenses incurred by the Issuer in connection with the issue of such Subsequent Bonds, to finance acquisitions and business development and for general corporate purposes.

Transfer Restrictions..... 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 laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

Listing	Application has been made to list the Bonds on the corporate bond list of Nasdaq Stockholm.
Agent	Intertrust (Sweden) AB.
Joint Bookrunners.....	ABG Sundal Collier AB and Nordea Bank AB (publ).
Issuing Agent.....	Nordea Bank AB (publ).
Governing Law of the Bonds.....	Swedish law.
Risk Factors	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 29 May 2017, and was subsequently issued by the Issuer on 15 June 2017. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council and Chapter 2 of the Trading Act.

The Issuer is responsible for the information given in this Prospectus. The Issuer is the source of all company specific data contained in this Prospectus and the Joint Bookrunners has conducted no efforts to confirm or verify the information supplied by the Issuer. The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omissions likely to affect its import. Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Issuer is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

27 July 2017

CATELLA AB (PUBL)

The board of directors

DESCRIPTION OF MATERIAL AGREEMENTS

The following is a summary of the material terms of material agreements to which the Issuer is a party and considered as outside of the ordinary course of business. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements.

Working Capital Financing

A company within the Group, Catella Holding AB, has entered into an overdraft facility as borrower, with Nordea Bank AB (publ) as lender, dated 20 December 2012 (the "**Overdraft Facility**"). The commitment under the Overdraft Facility amounts to SEK 30,000,000, of which SEK 30,000,000 was un-utilised as of 31 December 2016. The Overdraft Facility is automatically extended by 12 months at 31 December each year unless either party has terminated the agreement.

DESCRIPTION OF THE GROUP

History and development

Catella AB (publ) was incorporated on 19 June 1961 and is a public limited liability company operating under the laws of Sweden with reg. no. 556079-1419.

The registered office of the Company is Box 5894, 102 40 Stockholm and the Company's headquarters is located at Birger Jarlsgatan 6, 102 40 Stockholm, with telephone number +46 (0) 8 463 33 10.

In accordance with the articles of association of the Company, adopted on 25 May 2011, the objects of the Company are, to directly or through subsidiaries, engage in business, property and financial consulting operations. In addition, the Company shall manage securities, provide group services, and engage in other activities compatible with the foregoing.

Catella considers itself to be a leading specialist in property investments, fund management and banking, with operations in 12 European countries. The Group has a diverse range of clients (both private and commercial) and had 587 employees as of 31 March 2017. Catella's operations are divided up into two primary operating segments and reportable segments: *Corporate Finance* and *Asset Management and Banking*, and are conducted within a total of four business areas: *Corporate Finance; Equity, Hedge and Fixed Income Funds; Banking* and *Property Investment Management*, the first of which belongs to the Corporate Finance operating segment, and the three others belonging to the Asset Management and Banking operating segment.

History

Catella was founded in 1987 and, at an early stage, offered property advisory services, which became the foundation for Catella's first operating segment, Corporate Finance. During the real estate and banking crisis Sweden experienced at the beginning of the 1990s, Catella built up a business that focused on restructuring needs within the real estate sector. This enabled Catella to establish itself rapidly on the Swedish market as an independent financial adviser in the real estate sector. Since then, the Corporate Finance business has expanded to include financing, valuations and analysis, alongside transaction advisory services. In the mid-1990s, Catella launched an asset management business and, a few years later, established the Swedish fund management business. This formed the basis for Catella's second operating segment, Asset Management and Banking. In 2006 and 2007, the fund management business was expanded by the establishment of real estate funds in Germany and Finland. During the global financial crisis of 2007-2008, Catella was also affected, which, among other things, resulted in lower revenues and personnel cuts. Following a change of ownership in 2010, whereby Scribona acquired Catella's operations at that time, the banking business came into being in Luxembourg. Through its banking operations, Catella offers wealth management services in Luxembourg and Sweden, and card and payment solutions worldwide. In 2014 and 2015, Catella began offering asset management services in the real estate sector in France and Spain, services that had already been offered on a smaller scale in Germany, Denmark, Finland and the Baltics. In July 2014, the asset manager IPM became a subsidiary and Catella's offering within the business area equity, hedge and fixed income funds was complemented by systematic hedge fund and equity strategies. In autumn 2016, Catella established Property Investment Management operations in Norway and Luxembourg.

Vision and business concept

Catella's vision is to be the leading partner to investors in property and the leading specialist in fund management and banking.

Catella offers specialist financial advice and asset management with relevant investment products.

Strengths and competitive advantages

Properties

Local business model in each market

Successful advisory services in the real estate sector require an in-depth understanding of, and extensive networks in, the local market. Catella applies a local business model in each market. Catella is close to the local deals, with wide networks in each market, local muscle and a vigorous spirit of entrepreneurship. After its geographical expansion in recent years, the Group is well positioned to support international investors in a number of European countries.

Cross-pollination of skills and coordination of initiatives

Catella's ambition is to progressively increase cooperation among staff in the respective business areas and between geographical markets. This creates the prerequisites for sharing knowledge, developing better offerings and the capacity to handle complex and potentially cross-border projects. It also enhances cooperation with other Catella business areas to develop local and international offerings alike.

Orientation towards capital markets-related services

Catella is working determinedly to increase the share of value-add and capital markets-related services, which generate higher margins than dedicated transaction advisory services.

Competitive capacity to attract capital

In 2015, Catella began the establishment of a combined organisation for raising capital, based in London. Catella will gradually develop an integrated strategy for the capital markets, enabling it to become even more relevant to international investors in connection with transactions and real estate projects.

Stable financial platform

Catella aims to build a platform that remains well-balanced in upturns and downturns. Beyond that, the ambition is to expand the business geographically and to achieve a larger share of recurring revenues.

Funds

Complementary products and balanced earnings

Catella is aiming for sustained growth in assets under management and to create additional products to strengthen the balance among product categories. A broad-based and complementary product portfolio contributes to a good earnings balance.

Increased share of direct distribution of funds

Third-party distribution is central to Catella's sales of funds to consumers. The strategy towards distributors is to offer a high level of service and an extensive portfolio of attractive products as a main alternative, a complement, or a building block in another product. In addition, Catella regularly evaluates opportunities for wider direct distribution offered by progress in digital technologies. Catella is also developing its own distribution, primarily towards institutions, but also companies and private banking clients.

Banking

Scalable platform

Catella Bank S.A. has a scalable business. Growth will be primarily organic and within Catella Bank's existing service segments, but the consolidation of the banking market is opening up other opportunities as well. An example of this was when, in 2015, Catella recruited a team of experienced advisers for the Wealth Management service segment in Luxembourg.

Benefit from standardisation of services by large banks

Demand for private banking services from specialised institutions is growing as large banks are increasingly standardising their services. Clients with high demands often seek out smaller, more client-oriented institutions like Catella Bank S.A. Catella Bank S.A. specialises in offering a wide selection of financial services and tailored solutions to high net worth individuals in Europe.

Collaborative development of offerings with the rest of Catella

High net worth private banking clients are looking for investments they cannot access on their own. With its strong position in the property market, Catella can deliver precisely that, including property investments and selected fund products, to clients of Catella Bank S.A. The offerings are designed jointly with Catella's other business areas.

Digital presence

Digitalisation is creating business opportunities in private banking to address new client categories and more effectively manage existing client relationships. In 2015, Catella made investments in a technical platform and, in the first quarter of 2016, initiated the launch of services relating to the new platform.

Future opportunities

Corporate Finance

This business area places considerable importance on increasing the share of value-add and capital markets-related services, and thus improving profitability. Catella has strong market positions in Sweden, Denmark and Finland, and efforts continue to be made to enhance its market position, with a greater focus on value-add and capital markets-related services. In

addition, operations are being integrated to streamline the allocation of resources. Another objective is to start up operations in Norway. In Continental Europe, the operations in France have a strong market position in the area of transactions. The strategy is to use best practice in this business area to develop operations on current and new markets. For example, experiences from the operations in France are being used to enhance Catella's offering and market positions in Germany and Spain.

Equity, Hedge and Fixed Income Funds

Catella already provides a well-diversified product mix in the Equity, Hedge and Fixed Income Funds business area, but its objective is to create more products to achieve a better balance between different product categories, and to further improve management. Sales via distributors remain very important to achieve the growth targets in Mutual Funds, with a focus on high quality of service and presence. In tandem with this, Catella's ambition is to increase its presence with institutional clients, and to increase the share of foreign clients in this business area. Systematic Funds mainly addresses institutional clients. Apart from this focus on institutions, the ambition is to access new client groups, primarily via a range of fund solutions, such as the UCITS fund launched in 2015.

Banking

Catella Bank S.A. has a scalable business. Profitability is primarily achieved through volume growth in the bank's current business. Growth is expected to be mainly organic, but the ongoing consolidation of the banking market is opening up other opportunities as well. The focus is on increasing client presence with better and more effective service, and growing this business to secure a return on the stable and scalable infrastructure built up. Additionally, Catella is investing resources in distribution, both directly and via a growing base of partners. During 2017, Catella intends to launch a savings product for the general public to support its ongoing growth on the credit side and expand its loan book, mainly relating to specific real estate projects in the Nordics. A number of initiatives are also being taken jointly with Catella's operations in Corporate Finance and Property Investment Management to produce tailored products for clients within Wealth Management.

Property Investment Management

Growth in the Property Investment Management business area is being created by adding new products to existing structures. The geographical expansion is continuing with the start-up in Norway with a Nordic focus and further development of the operations in Spain. In addition, the ambition is to selectively launch niche funds to address the needs of local investors. To better exploit the synergies between operations, collaboration within the business area and Catella's other business areas is increasing.

Dividend policy

Catella's objective is to transfer to shareholders the portion of consolidated profit after tax that is not judged necessary to develop the group's operations, with consideration taken to the company's strategy and financial position. Adjusted for increases in value unrealised in earnings, at least 50% of consolidated profit after tax will be transferred to shareholders over time.

Operating segments and business areas

Catella's operations are divided up into two primary operating segments and reportable segments: Corporate Finance and Asset Management and Banking, and are conducted within a total of four business areas.

Corporate Finance

Within the Corporate Finance operating segment (and business area), Catella offers transaction advisory services and capital markets-related services in the real estate sector. Advisory services are provided to property companies, financial institutions, pension funds, real estate funds and other property owners. Operations are conducted in the Baltics, Denmark, Finland, France, Spain, Sweden and Germany, as well as being represented in the United Kingdom. In the Nordics, the focus is primarily on value-add and capital markets-related services, while value-add property-related services are more significant for the countries in Continental Europe.

Catella offers Corporate Finance services within three areas: Sales & Acquisitions, Debt & Equity, and Research & Valuations.

Sales & Acquisitions

Catella offers transaction advisory services in relation to sales and acquisitions of properties in Europe, specialising in complex transactions. Catella acts for both buyers and sellers in both private and public transactions.

Debt & Equity

Catella assists clients with debt financing in conjunction with transactions and real estate investments. These services include raising secured and unsecured loans, mezzanine loans, listed and unlisted bonds, bridge financing, and financing of development projects. Catella also has extensive experience in acquiring equity in both listed and unlisted environments. Catella acts as advisor on IPOs, issues of new shares, and acquisitions of listed companies. In the private sector, Catella offers services for raising capital for venture capitalists, fund managers and institutional real estate clubs, and carries out transactions on the secondary market.

Research & Valuations

Catella combines different perspectives and experience from investment banking with traditional real estate advice in its analysis. Catella always aims to provide value by combining an understanding of both the financial and real estate markets. Catella also offers property valuations in accordance with internationally recognised valuation standards, such as IVS and RICS. Catella's European networks and strong presence on local markets enable it to gain insight into drivers on the real estate market and market trends.

Asset Management and Banking

Catella's operations in the Asset Management and Banking operating segment are conducted within a total of three business areas: Equity, Hedge and Fixed Income Funds, Banking, and Property Investment Management.

Equity, Hedge and Fixed Income Funds

Catella's offering in the Equity, Hedge and Fixed Income Funds business area consists of a number of alternative funds with different focuses and management methodologies. Operations are conducted in two service segments: Mutual Funds, which offer private and institutional investors equity, hedge and fixed income funds with a Nordic focus, and Systematic Funds, which manage systematic macro and equity strategies for institutional investors.

Mutual Funds

Within the mutual funds service segment, Catella offers equity, hedge and fixed income funds with a geographic focus and know-how concentrated on the Nordics. As of 31 March 2017, the product portfolio includes nine funds with different management styles and risk profiles. Catella sells its funds directly to institutions or via distributors, such as banks and other financial advisers, which in turn market the funds to individuals. The strategy with respect to distributors is to offer a high level of service and an extensive portfolio with attractive products that complement their range of funds or constitute an important building block for other products.

Systematic Funds

Catella manages systematic macro and equity strategies for institutional investors, such as life insurance companies and pension funds, worldwide. Catella adds value to institutions' investment portfolios by offering fund products that have a negative correlation to traditional and alternative investment strategies. The objective is to produce investment strategies by means of the systematic management of interest rate, currency and stock markets based on fundamental data. Sales primarily take place directly to institutions, but also via distribution platforms.

Banking

The operations in the Banking business area are conducted within the scope of Catella Bank S.A., which is a niche bank domiciled in Luxembourg, with a branch in Sweden. The operations are conducted within two service segments: Wealth Management, which offers high net worth individuals in Europe a wide range of financial services and tailored solutions, and Card & Payment Solutions, which offers card and payment solutions to international banks, online merchants and fintech companies that require specialised solutions. During 2017, Catella intends to launch a savings product for the general public to support its ongoing growth on the credit side and expand its loan book, mainly relating to specific real estate projects in the Nordics. A number of initiatives are also being taken jointly with Catella's operations in the Corporate Finance and Property Investment Management business areas to produce tailored products for clients that require Wealth Management services.

Wealth Management

The Wealth Management service segment offers high net worth individuals investment advice and asset management. The range of products and services includes exclusive opportunities to invest in properties and unlisted companies, management of Nordic equities, bonds and hedge funds, deposits and lending, wealth planning and other banking services. The business is flexible and offers individual, tailored solutions. Catella Bank S.A. has the expertise and networks required to assist its clients regardless of where they live, where they want to invest and where

they want to borrow capital. The operations are based in Luxembourg, with a branch in Sweden, and are conducted through its own employees and an international network of advisers.

Card & Payment Solutions

The Card & Payment Solutions service segment offers card and payment solutions to international banks, online merchants and fintech companies that require specialised solutions. The business is operated in partnership with a large number of fintech companies all over the world, which can offer payment services through Catella using fraud deterrence systems and other tailored services. Catella Bank S.A. also operates as a card issuer with a large number of partners in Europe. Cards are offered both with clients' own profiles and as neutral cards. Catella has issuing licences from both Visa and MasterCard, and the product is flexible and adaptable for all types of consumption patterns. Catella primarily offers private banks solutions for issuing payment cards to their clients primarily within the client segment for high net worth individuals. Catella also offers prepaid cards. As well as acting as a card issuer, Catella offers international online merchants an acquiring service with a fraud deterrence system and customised daily reporting and payments. The acquiring services are offered in most currencies, enabling online merchants to sell their products and services in a currency of their choice to gain optimal currency exposure.

Property Investment Management

Catella deals with all phases of value creation in property through its Property Investment Management business area, from analysis and acquisition to financing, strategic management, and, finally, exit. Investments are carried out on instructions from financial institutions, pension funds, property funds and other property owners. Catella also creates value in proprietary property funds on instructions from institutional investors, and in property-related development projects. Operations are conducted in the Property Funds and Property Asset Management (including Project Management) service segments.

Property Funds

As of 31 March 2017, Catella managed 16 open-ended, regulated property funds in Germany. The property funds have different investment strategies in terms of level of risk and return, type of properties and location on each market. The overall strategy is to invest in high-quality properties on selected markets and in locations in Europe, focusing on the Core/Core plus⁴ segment. The funds are offered primarily to institutional investors in Germany and/or international investors.

Property Asset Management

Institutional investors and property funds are looking for the best asset manager in every local market. Catella has a strong local presence, with a solid network on the markets on which it operates. This enables Catella to understand the local business logic and gain access to interesting business opportunities. Catella is a complete asset management partner, primarily for international investors and funds seeking a solution for both acquisitions of properties and strategic management of the assets. Catella also offers services for banks, loan administrators

⁴ Core/Core-plus means high-quality properties with a number of tenants with a high credit standing and long-term leases with long remaining terms, the properties being located in metropolitan areas and constructed within the last five years or recently renovated.

and other financial institutions looking for an active, local asset management platform with good financing capabilities.

Catella's Property Asset Management segment also includes its Project Management services. In Germany, Catella offers clients development projects in the real estate sector. Catella creates value for investors by linking together demand from tenants, property developers and construction companies. Catella identifies land and development opportunities and arranges project financing, in which Catella is involved and co-finances, in order to further develop the land. When planning permission has been obtained, the project is sold on to final investors. This business model provides clients with access to high-quality investments with a somewhat higher return with limited risk.

Employees and organisation

Employees

As of 31 March 2017, the group had 587 employees. The table below presents the number of employees at the end of the period divided up into Catella's business areas between 2013 and 2016, and as of 31 March 2017. In 2016, approximately 37% of the group's employees were women and approximately 63% were men.

Business Areas	Number of Employees at end of period				
	31 March 2017	2016	2015	2014	2013
Corporate Finance	208	203	211	207	207
Equity, Hedge and Fixed Income Funds	81	78	73	69	20
Banking	175	176	163	143	142
Property Investment Management	107	105	78	59	49
Other	16	17	14	11	13
Total	587	579	539	489	431

Organisation

Catella's group management consists of the CEO, the CFO and the COO. At the level below group level, there are two operating segments and reportable segments: Corporate Finance and Asset Management and Banking. There are three business areas in the Asset Management and Banking segment. In respect of these business areas, heads of business area supervise and act as support for the operations. The heads of business area report to the head of the Asset Management and Banking segment (currently the CEO & President), and the heads of the Nordic and Continental European markets in the Corporate Finance segment report to the head of the Corporate Finance segment (currently the CEO & President).

Share capital and ownership structure

The shares of the Company are denominated in SEK. The ordinary shares of series A carry 5 votes each and preferential shares of series B carry 1 vote each. As of the date of this Prospectus, the Company had an issued share capital of SEK 163,697,144 divided into 2,530,555 of shares of

series A, and 79,318,017 of shares of series B. The Company has issued a total of 81,848,572 shares.

The following table sets forth the ownership structure in the Company as of 30 June 2017.

<i>Shareholders 30 June 2017</i>	<i>A-share</i>	<i>B-share</i>	<i>Total</i>	<i>Capital</i>	<i>Votes</i>
Claesson & Anderzén group (with related party)	1,087,437	39,694,718	40,782,155	49.8%	49.1%
Swedbank Robur fonder	197,937	4,814,000	5,011,937	6.1%	6.3%
Strawberry Capital	143,334	3,486,000	3,629,334	4.4%	4.6%
Catella Bank*	292,949	2,197,500	2,490,449	3.0%	4.0%
Avanza Pension	11,863	2,041,584	2,053,447	2.5%	2.3%
Nordnet Pension	1,441	1,862,884	1,864,325	2.3%	2.0%
Thomas Andersson Borstam (private and through company)	0	1,340,000	1,340,000	1.6%	1.5%
Mp Pensjon Pk	0	989,412	989,412	1.2%	1.1%
Swedbank Försäkring	198	983,710	983,908	1.2%	1.1%
Nordea Investment Funds	0	917,193	917,193	1.1%	1.0%
Others	795,396	20,991,016	21,786,412	26.6%	27.1%
Total	2,530,555	79,318,017	81,848,572	100.0%	100.0%

* Refers to nominee-registered clients of Catella Bank

Claesson & Anderzén group (with related party)

Claesson & Anderzén AB (together with its subsidiaries is generally known as the CA group) is a Swedish investment company. The CA group was founded in Kalmar, Sweden, in 1912. CA operates in two main lines of business, real estate and other investments. The real estate business, which is operated by the wholly owned subsidiary, CA Fastigheter AB, is the foundation of the CA group. Other investments is operated by the wholly owned subsidiary, CA Investment AB.

Management shareholders

Management shareholders include the following members of the Company's management and board of directors:

- Johan Claesson: holds 1,087,437 shares of series A and 39,694,718 shares of series B;
- Johan Damne: holds 150,000 shares of series B;
- Jan Roxendal: holds 109,554 shares of series B;
- Marcus Holmstrand: holds 4,000 shares of series B; and
- Johan Nordenfalk: holds 120,000 shares of series B.

Shareholders' agreements

The Issuer is not aware of the details of any provision in the arrangement between its shareholders, the operation of which may at a subsequent date result in a change in control of the Issuer.

Overview of Group structure

As of the date of this Prospectus, the Issuer has, directly and indirectly, 52 subsidiaries and 2 associated companies.

Operations are conducted by the subsidiaries and the Issuer is thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds.

The structure of the most important companies within the Group is set out below.

<i>Subsidiary</i>	<i>Country</i>	<i>Share of capital, %</i>	<i>Share of votes, %</i>
Catella Bank S.A.	Luxembourg	100	100
IPM Informed Portfolio Management AB	Sweden	20.49	21.27
European Equity Trance Income Ltd	Guernsey	100	100
Catella Corporate Finance Stockholm AB	Sweden	60	60
Catella Corporate Finance Göteborg AB	Sweden	60	60
Catella Real Estate AG	Germany	95	95
Catella Property Oy	Finland	100	100
Catella Asset Management Oy	Finland	100	100
Catella Property GmbH	Germany	100	100
Catella Property Residential GmbH	Germany	100	100
Catella Property Denmark A/S	Denmark	60	60
Catella France SARL	France	100	100
Catella Valuation Advisors SAS	France	67	67
Catella Property Consultants SAS	France	100	100
Catella Residential Partners SAS	France	66	66
Catella Asset Management SAS	France	50	50
Catella Property Spain S.A.	Spain	70	70
Catella Corporate Finance Malmö AB	Sweden	60	60
Catella Fondförvaltning AB	Sweden	100	100

Recent events

There has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Issuer's solvency.

Significant change and trend information

There has been no material adverse change in the prospects of the Group since the date of publication of its last audited annual accounts and no significant change in the financial or

trading position of the Group since the end of the last financial period for which audited financial information has been published.

Legal and arbitration proceedings

The Group is involved in a small number of disputes or legal actions that have arisen in the ordinary course of business.

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

Credit rating

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

MANAGEMENT

The board of directors of the Issuer currently consists of five members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Birger Jarlsgatan 6, 102 40 Stockholm. Further information on the members of the board of directors and the senior management is set forth below.

Board of directors

Johan Claesson, chairman of the board since 2011.

Education: MBA.

Current commitments: Chairman of Claesson & Anderzén AB and directorships in other companies in the Claesson & Anderzén group, chairman of Apodemus AB. CEO and director of Bellvi Förvaltnings AB and Johan och Marianne Claesson AB. Director of Fastighetsaktiebolaget Bremia, Alufab PLC Ltd, K3Business Technology Group PLC, Leeds Group PLC and Nighthawk Energy PLC.

Johan Damne, member of the board since 2014.

Education: MBA.

Current commitments: CEO of Claesson & Anderzén AB, directorships and CEO assignments in other companies in the Claesson & Anderzén group. Director of Parnas Park Holding AB, S Fanfar AB and Glasbtn 2 AB.

Joachim Gahm, member of the board since 2014.

Education: MBA.

Current commitments: Chairman of Arise AB and Sustainable Growth Capital SGC AB. Director of Förvaltnings AB Hanneborg, Kungsleden Aktiebolag and S&A Sverige AB.

Anna Ramel, member of the board since 2014.

Education: LL M.

Current commitments: Chairman of Kjellander & Ramel AB. Director of Erik Penser Bank AB (publ), SPP Spar AB and Anna Ramel AB.

Jan Roxendal, member of the board since 2011.

Education: Higher public education in banking.

Current commitments: Chairman of the Swedish Export Credit Guarantee Board (EKN). Chairman, CEO and owner of Roxtra AB. Director of Andra AP fonden (AP2) and Magnolia Bostad AB.

Management

Knut Pedersen, President and CEO

Education: BSc (Economics), Ross School of Economics, University of Michigan.

Current commitments: Chairman of Catella Fondförvaltning AB and member of the supervisory board of Catella Real Estate AG Kapitalanlagegesellschaft. Director of Nordic Seeding GmbH, Catella Bank S.A. and several other subsidiaries of the Catella group.

Marcus Holmstrand, CFO

Education: MSc (Economics), Jönköping International Business School. Post-graduate studies at University of California Davis Graduate School of Management.

Current commitments: Director of several subsidiaries of the Catella group.

Johan Nordenfalk, COO

Education: LL M, Lund University, Maîtrise en droit, Université Panthéon-Assas, Paris.

Current commitments: Director of several subsidiaries of the Catella group and minor board assignments outside Catella.

Conflicts of interest within administrative, management and control bodies

As set out under the section *Description of the Group*, subheading *Share capital and ownership structure*, three members of the board of directors (Johan Claesson, Johan Damne and Jan Roxendal) and two members of the management (Marcus Holmstrand and Johan Nordenfalk) holds shares in the Company, and thus have a private interest in the Issuer which may conflict with the interest of the Issuer.

Further, one member of the board of directors (Jan Roxendal) holds Bonds, and thus have a private interest in the Issuer which may conflict with the interest of the Issuer.

While the Issuer recognises the potential conflicts, the Issuer does not believe that this constitute an actual conflict of interest between these persons' duties to the Issuer.

Interest of natural and legal persons involved in the issue

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

HISTORICAL FINANCIAL INFORMATION

Historical financial information

The Group's consolidated financial statements for the financial year ended 31 December 2015 and the figures for the financial year ended 31 December 2016 and the Group's consolidated interim financial statements for the financial period 1 January 2017 to 31 March 2017 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2015 and 31 December 2016, and the Group's consolidated interim financial statements for the financial period 1 January 2017 to 31 March 2017, have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU.

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

The Group's consolidated financial statements for the financial year ended 31 December 2016 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 77;
- consolidated balance sheet, page 78;
- consolidated cash flow statement, page 79;
- consolidated statement of changes in equity, page 80;
- the audit report, pages 120-125; and
- notes, pages 81-120.

The specific information set out below (as also stated in section "*Other information*" subheading "*Documents incorporated by reference*" in this Prospectus) from the Group's consolidated financial statements for the financial year ended 31 December 2015 is incorporated into this Prospectus by reference. The other information set out in the consolidated financial statements for the financial year ended 31 December 2015 is deemed to not be relevant for the purpose of the Prospectus Regulation as corresponding up to date information is included in the consolidated financial statements for the financial year ended 31 December 2016.

- consolidated income statement, page 61;
- consolidated balance sheet, page 62;
- consolidated cash flow statement, page 63;
- consolidated statement of changes in equity, page 64;

- the audit report, page 104; and
- notes, pages 65-102.

The Group's consolidated interim financial statements for the financial period 1 January 2017 to 31 March 2017 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 14;
- consolidated balance sheet, page 15;
- consolidated cash flow statement, page 16;
- consolidated statement of changes in equity, page 17; and
- notes, pages 18-28.

Auditing of the annual historical financial information

The Company's consolidated financial statements as at present and for the years 2015 to 2016 have been audited, as applicable, by PricewaterhouseCoopers AB, Torsgatan 21, 113 21 Stockholm. PricewaterhouseCoopers AB has been the Company's auditor since 2011, and was re-elected for an additional year on the latest annual general meeting. Patrik Adolfson is the auditor who is responsible for the Company. Patrik Adolfson is an authorized auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

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

Age of the most recent financial information

The most recent audited financial information has been taken from the consolidated financial statements for the financial year ended 31 December 2016, which was published on the Issuer's website (catella.com).

OTHER INFORMATION

Assurance regarding the Prospectus

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

Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an initial amount of SEK 500,000,000 on 15 June 2017 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of SEK 250,000,000 (together with the initial Bonds in aggregate SEK 750,000,000). Each Bond has a nominal amount of SEK 100,000,000. The ISIN for the Bonds is SE0009994718.

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

Material contracts

Other than as described under the section entitled "*Description of Material Agreements*" herein, the Group has not entered into any material contracts not in the ordinary course of its business and which may affect the Group's ability to fulfil its obligations under the Bonds.

Documents incorporated by reference

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

- the Group's consolidated interim financial statements for the financial period 1 January 2017 to 31 March 2017;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2016; and
- pages 55 – 104 from the Group's consolidated financial statements for the financial year ended 31 December 2015, including the audit report for the financial year ended 31 December 2015.

Documents available for inspection

The following documents are available at the Company's headquarters at Birger Jarlsgatan 6, 102 40 Stockholm, on weekdays during the Company's regular office hours throughout the period of validity of this Prospectus.

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

The following documents are also available in electronic form on the Company's website (catella.com):

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

Listing costs

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 300,000.

Terms and Conditions

1. Definitions and Construction

1.1 Definitions

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

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

"**Accounting Principles**" means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (as in force on the First Issue Date).

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

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

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

"**Agent**" means Intertrust (Sweden) AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

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

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 16 (*Bondholders' Meeting*).

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

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

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

"**Catella Bank**" means Catella Bank S.A., reg. no. B 29962, P.O. box 2118, L-8308 Capellen, Luxembourg and its Swedish branch Catella Bank Filial, reg. no 516401-9910, P.O box 2015, 103 11, Stockholm Sweden.

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

"**Change of Control Event**" means the occurrence of an event or series of events whereby one or more persons, not being the Major Shareholders, acting together, acquire control over the Issuer and where "**control**" means (i) controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

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

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

"**Debt Instruments**" means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or a multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

"**Delisting Event**" means the occurrence of an event or series of events whereby the shares of the Issuer have ceased to be listed on the Regulated Market of Nasdaq Stockholm.

"**Existing Bond Redemption Date**" means the date when the Existing Bond Loan shall be redeemed and repaid in full in accordance with the early redemption notice delivered under the Existing Bond Loan in connection with the First Issue Date.

"**EBITDA**" means earnings of the Group, before interest, taxes, depreciation and amortisation (without double counting).

"**Equity**" means the consolidated book-value of the Group's total shareholders' equity according to the latest Financial Report.

"**Event of Default**" means an event or circumstance specified in any of the Clauses 13.1 (*Non-payment*) to and including 13.10 (*Continuation of the business*).

"**Existing Bond Loan**" means the up to SEK 300,000,000 senior unsecured bond loan with ISIN: SE0004809630, as issued by the Issuer on 19 September 2012.

"**Final Maturity Date**" means 15 June 2022.

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

"**Financial Indebtedness**" means:

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

"**Financial Report**" means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available pursuant to Clause 10.2(a)(i) and 10.2(a)(ii).

"**First Call Date**" means the date falling thirty (30) months after the First Issue Date.

"**First Issue Date**" means 15 June 2017.

"**Force Majeure Event**" has the meaning set forth in Clause 24(a).

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

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

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

"Interest" means the interest on the Bonds calculated in accordance with Clauses 8(a) to 8(c).

"Interest Payment Date" means 15 March, 15 June, 15 September and 15 December 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 15 September 2017 and the last Interest Payment Date shall be the relevant Redemption Date.

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

"Interest Rate" means STIBOR plus the Margin.

"Issuer" means Catella AB (publ), a public limited liability company incorporated under the laws of Sweden with reg. no. 556079-1419.

"Issuing Agent" means Nordea Bank AB (publ), or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"Joint Bookrunners" means ABG Sundal Collier AB and Nordea Bank AB (publ).

"Listing Failure Event" means an event where (i) the Initial Bonds are not listed on a Regulated Market within 60 days from the First Issue Date, and/or (ii) any Subsequent Bonds are not listed on a Regulated Market within 20 days from the issuance of the Subsequent Bonds.

"Make Whole Amount" means an amount equal to:

the present value on the relevant record date of 102.00 per cent. of the outstanding Nominal Amount as if such payment originally should have taken place on the First Call Date; and

the present value on the relevant record date of the remaining coupon payments less any accrued but unpaid interest up to the relevant Redemption Date, through and including the First Call Date (assuming that the Interest Rate for the period from the relevant record date to the First Call Date will be equal

to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders),

each calculated by using a discount rate of 50 basis points over the comparable Swedish government bond rate (i.e. comparable to the remaining duration of the Bonds until the mentioned date falling on the Final Maturity Date) and where "relevant record date" shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

"Major Shareholders" means the persons and legal entities who, on the First Issue Date, directly and indirectly, through ownership or otherwise, individually or together, controlled, were controlled by, were under common control with, or were managed by CA Plusinvest AB reg. no. 556769-1588, as well as that entity itself.

"Margin" means 4.00 per cent. *per annum*.

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

"Material Adverse Effect" means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Issuer's ability to perform and comply with its obligations under these Terms and Conditions, or (c) the validity or enforceability of any of the Finance Documents.

"Material Group Company" means the Issuer and/or any other Group Company representing 15 per cent. or more of Total Assets or EBITDA of the Group on a consolidated basis according to the latest Financial Report.

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

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

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

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

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

"**Reference Date**" means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds remain outstanding.

"**Reference Period**" means each period of 12 consecutive calendar months.

"**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 2004/39/EC on markets in financial instruments).

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

"**STIBOR**" means:

the applicable percentage rate per annum displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or

- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. on the Quotation Date;
- (c) if no rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

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

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

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

"**Total Assets**" means the total assets as reported in the Group's balance sheet in accordance with the applicable accounting principles of the Group from time to time.

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

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

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 17 (*Written Procedure*).

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
- (i) "**assets**" includes present and future properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a "**regulation**" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (iv) a "**person**" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
 - (v) an Event of Default is continuing if it has not been remedied or waived;
 - (vi) a provision of law is a reference to that provision as amended or re-enacted; and

- (vii) a time of day is a reference to Stockholm time.
- (b) 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.
- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. Status of the Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The nominal amount of each Initial Bond is SEK 1,000,000 (the "**Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is SEK 500,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100) per cent. of the Nominal Amount.
- (d) The Issuer may, at one or several occasions after the First Issue Date, 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 applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 750,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 15(e)(iii). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (e) 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.
- (f) 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 laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

- (g) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. Use of Proceeds

- (a) The Issuer shall use the Net Proceeds from the issue of the Initial Bonds to refinance the Existing Bond Loan through settlement in cash, finance acquisitions and business development and for general corporate purposes.
- (b) The Issuer shall use the proceeds from the issuance of any Subsequent Bonds, less the costs and expenses incurred by the Issuer in connection with the issue of such Subsequent Bonds, to finance acquisitions and business development and for general corporate purposes.

4. Conditions Precedent

- (a) The payment of the Net Proceeds to the Proceeds Account is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, to the Agent, in form and substance satisfactory to the Agent (acting reasonably):
 - (i) certificate of registration, articles of association and copy of the relevant board minutes for the Issuer and each other Group Company being a party to a Finance Document;
 - (ii) evidence that the Finance Documents have been duly executed;
 - (iii) evidence that the Net Proceeds will be applied partially towards refinancing the Existing Bond Loan in full in accordance with Clause 3 (*Use of Proceeds*); and
 - (iv) a certificate addressed to the Agent certifying that no event of default exist under the Existing Bond Loan or would occur by issuance of the Initial Bonds.
- (c) Provided that the conditions precedent for disbursement set out in Clause 4(b) have been fulfilled to the satisfaction of the Agent, the Agent shall, 2 Business Days prior to the Existing Bond Redemption Date, instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account for the purpose of refinancing the Existing Bond Loan in accordance with Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection

therewith release the pledge over the Proceeds Account. The Agent is not responsible for reviewing the documents and evidence referred to in Clause 4(b) from a legal or commercial perspective on behalf of the Bondholders.

- (d) If the conditions precedent for disbursement set out in Clause 4(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within twenty (20) Business Days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Nominal Amount together with any accrued Interest. Any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4(d). The repurchase date shall fall no later than thirty (30) Business Days after the ending of the twenty (20) Business Days period referred to above.

5. Bonds in Book-Entry Form

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

6. Right to Act on Behalf of a Bondholder

- (a) If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of

attorney or proofs of authorisation starting with the Bondholder and authorising such person.

- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

7. Payments in Respect of the Bonds

- (a) 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 due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect 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.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8(d) during such postponement.
- (d) 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, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a person not entitled to receive such amount.
- (e) 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

- (a) Each Initial Bond carries Interest at the Interest Rate calculated on 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 calculated on the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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 law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold but may not be cancelled.

9.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not some only, of the outstanding Bonds in full:
 - (i) any time prior to the First Call Date, at an amount per Bond equal to the Make Whole Amount together with accrued but unpaid Interest;
 - (ii) any time from and including the First Call Date to, but excluding, the first Business Day falling thirty-six (36) months after the First Issue Date at an amount per Bond equal to 102.00 per cent. of the Nominal Amount, together with accrued but unpaid Interest;

- (iii) any time from and including the first Business Day falling thirty six (36) months after the First Issue Date to, but excluding, the first Business Day falling fourthly two (42) months after the First Issue Date at an amount per Bond equal to 101.60 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (iv) any time from and including the first Business Day falling fourthly two (42) months after the First Issue Date to, but excluding, the first Business Day falling fourthly eight (48) months after the First Issue Date at an amount per Bond equal to 101.20 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
 - (v) any time from and including the first Business Day falling fourthly eight (48) months after the First Issue Date to, but excluding, the first Business Day falling fifty four (54) months after the First Issue Date at an amount per Bond equal to 100.80 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
 - (vi) any time from and including the first Business Day falling fifty four (54) months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.40 per cent of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

9.4 Mandatory repurchase due to a Change of Control Event, a Delisting Event or a Listing Failure Event (put option)

- (a) Upon a Change of Control Event, a Delisting Event or a Listing Failure Event, as applicable, occurring, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased (whereby the Issuer shall have an obligation to repurchase such Bonds) at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event, the Delisting Event or a Listing Failure Event, as applicable, pursuant to Clause 10.1(c) (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 Delisting Event or the Listing Failure Event, as applicable.
- (b) The notice from the Issuer pursuant to Clause 10.1(c) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the

relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1(c). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.4(a).

- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.4 may at the Issuer's discretion be retained or sold but may not be cancelled.
- (e) The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 9.4, if a third party in connection with the occurrence of a Change of Control Event, a Delisting Event or a Listing Failure Event, as applicable, offers to purchase the Bonds in the manner and on the terms set out in this Clause 9.4 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 9.4, 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

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

- (iii) as soon as practicable following an acquisition or disposal of Bonds by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Bonds cancelled by the Issuer; and
 - (iv) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (b) When the Bonds have been listed, the reports referred to under (i) and (ii) above shall be prepared in accordance with IFRS and made available in accordance with the rules and regulations of Nasdaq Stockholm (as amended from time to time) and the Swedish Securities Market Act.
- (c) The Issuer shall promptly notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event, Delisting Event or Listing Failure Event. Such notice may be given in advance of the occurrence of a Change of Control Event, Delisting Event or Listing Failure Event, as applicable, conditioned upon the occurrence of such event, if a definitive agreement is in place providing for a Change of Control Event, Delisting Event or Listing Failure Event, as applicable.
- (d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 10.1(a), the Issuer shall send copies of such financial statements and other information to the Agent. The Issuer shall (i) together with each Financial Report, (ii) in connection with making a Restricted Payment and (iii) within twenty (20) days from the Agent's request, deliver to the Agent a duly executed Compliance Certificate together with copies of any notices sent to the Regulated Market on which the Bonds are admitted to trading. The Compliance Certificate shall be in a form agreed between the Issuer and the Agent and include figures in respect of the relevant financial covenant and the basis on which it has been calculated.
- (e) The Issuer shall promptly 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.
- (f) The Issuer is only obliged to inform the Agent according to this Clause 10.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including

entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 10.1.

- (g) The Issuer shall notify the Agent of any transaction which is not within the ordinary course of business as referred to in Clause 12.5 (*Disposals of assets*) and the Issuer shall, upon request by the Agent, provide the Agent with (i) any information relating to such transaction which the Agent deems necessary (acting reasonably), and (ii) a certificate from the Issuer which states whether the transaction is carried out on an arm's length basis and on terms and conditions customary for such transaction or not and whether such transaction has a Material Adverse Effect or not.

10.2 Information from the Agent

Subject to the restrictions of any applicable law and regulation, 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.

10.3 Publication of Finance Documents

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

11. Financial Undertakings

- (a) The Issuer shall on each Reference Date ensure that the Equity amounts to not less than SEK 800,000,000.
- (b) The financial covenant in paragraph (a) above shall be tested on each Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be 30 June 2017.

12. General Undertakings

12.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 12 for as long as any Bonds remain outstanding.

12.2 Distributions

The Issuer shall not, and shall procure that none of the Subsidiaries, (i) pay any dividend in respect of its shares (other than to the Issuer), (ii) repurchase or redeem any of its own shares, (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to shareholders, or (iv) make any other similar distribution or transfers of value to the Issuer's, or the Subsidiaries', direct and indirect shareholders (items (i)-(iv) above are together and individually referred to as a "**Restricted Payment**").

Notwithstanding the above:

- (a) the Issuer can make a Restricted Payment if the aggregated amount of all Restricted Payments in any fiscal year does not exceed the higher of (i) SEK 80,000,000 (or the equivalent thereof in any other currency) or (ii) 60 per cent. of the Group's consolidated net profits attributed to shareholder of the Issuer (*Sw. årets resultat hänförligt till emittentens aktieägare*) according to its latest adopted consolidated balance sheet; and
- (b) the Subsidiaries can make a Restricted Payment if that Restricted Payment is made to the Issuer or a wholly-owned Subsidiary of the Issuer on a *pro rata* basis.

12.3 Nature of business

The Issuer shall procure that no substantial change is made that would have a negative impact on the general nature of the business carried on by the Group as of the First Issue Date.

12.4 Financial Indebtedness

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries (other than Catella Bank), incur any Financial Indebtedness under Market Loans (other than the Existing Bond Loan).
- (b) Notwithstanding paragraph (a) above, the Issuer may incur Financial Indebtedness under Market Loans which have a final redemption date occurring after the Final Maturity Date of the Bonds.

12.5 Disposal of assets

The Issuer shall not, and shall procure that no Material Group Company, sell or otherwise dispose of all or a substantial part of its or that Material Group Company's assets or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

12.6 Dealings with related parties

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

12.7 Negative pledge

The Issuer shall not, and shall procure that none of its Subsidiaries (other than Catella Bank), provide, prolong or renew any security over any of its/their assets (present or future) to secure any Market Loans.

12.8 Listing

The Issuer shall ensure that (i) the Initial Bonds are listed on the corporate bond list of Nasdaq Stockholm within 60 days after the First Issue Date and with an intention to complete such listing within 30 calendar days after the First Issue Date, and (ii) any Subsequent Bonds are listed on the corporate bond list of Nasdaq Stockholm within 20 days after the issuance of such Subsequent Bonds and (iii) that the Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm, continue to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of Nasdaq Stockholm and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

12.9 Compliance with laws

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

12.10 Mergers and demergers

The Issuer shall not, and shall procure that none of its Subsidiaries, enter into a merger or demerger if such merger or demerger is likely to have a Material Adverse Effect. The Issuer shall not enter into a merger where the Issuer is not the surviving entity and the Issuer may not be demerged.

12.11 Undertakings relating to the Agency Agreement

- (a) The Issuer shall, in accordance with the Agency Agreement:
 - (i) pay fees to the Agent;
 - (ii) indemnify the Agent for costs, losses and liabilities;

- (iii) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
 - (iv) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.
- (b) 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.

13. Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 13 (other than Clause 13.11 (*Acceleration of the Bonds*)) is an Event of Default.

13.1 Non-payment

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

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

13.2 Financial undertakings

The Issuer fails to comply with the financial covenant set out in Clause 11 (*Financial Undertakings*).

13.3 Listing failure

A Listing Failure Event has occurred and is not remedied within 4 months from the date when the Bonds should have been listed in accordance with Clause 12.8 (*Listing*).

13.4 Other obligations

The Issuer does not comply with the Finance Documents, in any other way than as set out under Clause 13.1 (*Non-payment*) to Clause 13.3 (*Listing failure*) above, provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

13.5 Cross-acceleration

Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 13.5 if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 20,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

13.6 Insolvency

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

13.7 Insolvency proceedings

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

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

13.8 Creditors' process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 20,000,000 and is not discharged within 30 days.

13.9 Impossibility or illegality

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

13.10 Continuation of the business

The Issuer or another Material Group Company ceases to carry on its business (except through a permitted merger or demerger in accordance with Clause 12.10 (*Mergers and demergers*)).

13.11 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing, 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 may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction given pursuant to Clause 13.11(d), 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 (such date to occur not more than twenty (20) Business Days from the date of the notice) and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

- (b) The Agent may not accelerate the Bonds in accordance with Clause 13.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) 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.
- (d) 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.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 13.11, up to, but excluding, the First Call Date the Issuer shall redeem all Bonds at an amount per Bond equal to the redemption amount set out in Clause 9.3(a)(i) and thereafter, as applicable considering when the acceleration occurs, the redemption amount specified in Clause 9.3 (*Voluntary total redemption (call option)*).

14. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 13 (*Events of Default and Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (i) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2(e), 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(c);
 - (ii) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
 - (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
 - (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14(a)(i) or ((a)(ii)), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14(a)(i) or ((a)(ii)).
- (c) 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 interest-bearing 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.
- (d) 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 fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7(a) shall apply.

15. Decisions by Bondholders

- (a) 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.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
 - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
 - (ii) on the Business Day specified in the communication pursuant to Clause 17(c), in respect of a Written Procedure,may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(c):
 - (i) waive a breach of or amend an undertaking set out in Clause 12 (*General Undertakings*);
 - (ii) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;

- (iii) increase the maximum total nominal amount of the Bonds;
 - (iv) amend the Make Whole Amount or a redemption amount set out in Clause 9.3;
 - (v) amend any payment day for principal or interest amount or waive any breach of a payment undertaking, or
 - (vi) amend the provisions regarding the majority requirements under the Terms and Conditions.
- (f) Any matter not covered by Clause 15(e) 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 17(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18(a)(i) or 18(a)(ii)), an acceleration of the Bonds.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 15(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16(a)) or initiate a second Written Procedure (in accordance with Clause 17(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 15(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to

any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

16. Bondholders' Meeting

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 16(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 19.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 16(a).
- (c) The notice pursuant to Clause 16(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a

decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

17. Written Procedure

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically in a manner determined by the Agent) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 17(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 17(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 15(e) and 15(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 15(e) or 15(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

18. Amendments and Waivers

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*).
- (b) 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.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 18(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- (d) 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.

19. Appointment and Replacement of the Agent

19.1 Appointment of Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set forth in Clause 19.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the

Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

- (e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) 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.

19.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents. Except as specified in Clause 4 (*Conditions Precedent*), the Agent is not responsible for the execution or enforceability of the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent 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.
- (d) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (e) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of Proceeds*).
- (f) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (g) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the

Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

- (h) 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 19.2(g).

19.3 Limited liability for the Agent

- (a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 15 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to Clause 13.11.
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

19.4 Replacement of the Agent

- (a) Subject to Clause 19.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 19.4(f), 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.

- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Clause 19.4, 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 agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20. Appointment and Replacement of the Issuing Agent

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

21. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 21(a) 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 19.1(c)), 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 19.2(g), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2(h) before a Bondholder may take any action referred to in Clause 21(a).
- (c) The provisions of Clause 21(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.4 (*Mandatory repurchase due to a Change of Control Event, a Delisting Event or a Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

22. Prescription

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

- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*Sw. 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.

23. Notices and Press Releases

23.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
 - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch;
 - (ii) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch; and
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders. A Notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- (b) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1(a).
- (c) 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.
- (d) If an Event of Default is continuing, any notice or other communication made by the Agent to the Issuer under or in connection with the Finance Documents may, provided that the Agent deems it necessary in order to preserve the Bondholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Agent), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Agent to the Issuer in accordance with this paragraph (c) shall be sent to the CFO or the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Agent.

23.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3(b), 9.4(a), 10.1(c), 13.11(c), 15(o), 16(a), 17(a) and 18(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 23.2(a), 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.

24. Force Majeure and Limitation of Liability

- (a) 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.
- (b) 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.
- (c) 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.
- (d) The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

25. Governing Law and Jurisdiction

- (a) These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

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

Place:

Date:

Catella AB (publ)

as Issuer

Name:

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

Place:

Date:

Intertrust (Sweden) AB

as Agent

Name:

ADDRESSES**ISSUER****Catella AB (publ)**

Birger Jarlsgatan 6

P.O. Box 5894

SE-102 40 Stockholm

Sweden

Tel.: +46 (0) 8 463 33 10

Fax: +46 (0) 8 462 33 95

ISSUING AGENT AND JOINT BOOKRUNNER**Nordea Bank AB (publ)**

Smålandsgatan 17

SE-105 71 Stockholm

Sweden

Tel.: +46 (0) 10 157 10 00

JOINT BOOKRUNNER**ABG Sundal Collier AB**

Regeringsgatan 65

P.O. Box 7269

SE-111 56 Stockholm

Sweden

Tel.: +46 (0) 8 566 286 00

LEGAL COUNSEL**Roschier Advokatbyrå AB**

Brunkebergstorg 2

P.O. Box 7358

SE-103 90 Stockholm

Sweden

Tel.: +46 8 553 190 00

Fax: +46 8 553 190 01

AGENT**Intertrust (Sweden) AB**

Sveavägen 9

SE-111 57 Stockholm

Sweden

Tel.: +46 (0) 8 402 72 00

Fax: +46 (0) 8 402 72 99

AUDITOR**PricewaterhouseCoopers AB**

Torsgatan 21

SE-113 21 Stockholm

Sweden

Tel.: +46 (0) 10 212 40 00

Fax: +46 (0) 10 214 30 00

CENTRAL SECURITIES DEPOSITORY**Euroclear Sweden AB**

Box 191

SE-101 23 Stockholm

Sweden

Tel.: +46 (0) 8 402 90 00