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TERM SHEET

KOGGBRON AB (publ)

Up to SEK 650,000,000 (or its equivalent in NOK or USD)

Senior Secured Bonds 2017/2019

(the "Bonds" or the "Bond Issue")

SEK BOND - ISIN: SE0009806573

NOK BOND - ISIN: NO0010791270

USD BOND – ISIN: NO0010791288

Issuer:	Koggbro AB (publ), org. nr. 556977-0570, a public limited liability company incorporated in Sweden.
Guarantor:	The parent company of the Issuer, Koggbro Fastigheter AB (publ), org. nr. 556605-4259, a public limited liability company incorporated in Sweden.
Group:	The Issuer and all its subsidiaries from time to time (each a "Group Company").
Bondholder:	Means any holder of Bonds from time to time.
Bonds:	Debt instruments issued by the Issuer under the Terms and Conditions, denominated in SEK, NOK and USD and registered pursuant to Norwegian securities laws with respect to the NOK Bonds and USD Bonds and Swedish securities laws with respect to the SEK Bonds.
Currency:	SEK, NOK and USD, respectively, the "SEK Bonds", the "NOK Bonds" and the "USD Bonds".
Bond Issue:	Means Bonds issued in the amount of: (a) SEK 170,000,000; (b) NOK 70,000,000; and (c) USD 10,600,000.
Interest:	The Bonds shall carry interest at a fixed rate of 12.00 % <i>per annum</i> . Interest shall be payable semi-annually in arrears on each Interest Payment Date in each year. Interest on the NOK Bonds and USD Bonds will accrue from (and including) the First Issue Date up to (but excluding) the relevant redemption date. Interest on the SEK Bonds will accrue from (but excluding) the First Issue Date up to (and including) the relevant redemption date. Day-count convention for the interest calculation is 30/360.
Interest Payment Dates:	31 May and 31 November each year, starting with the first interest payment on 30 November 2017.
First Issue Date:	First issue date expected to be on or about 31 May 2017. Subsequent Bonds may be issued at a later date.

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Final Maturity Date and extension option:	The Bonds shall be redeemed on the date falling twenty-four (24) months after the First Issue Date at a price equal to 100.00 % of the Nominal Amount, provided that the Issuer shall have an option to extend the original final maturity date with six (6) months, by giving notice to the Trustee and the Bondholders at least 20 Business Days prior to the original Final Redemption Date and provided further that the termination date for the Junior Bonds is extended simultaneously.
Price:	100.00 % of the Nominal Amount.
Nominal Amount:	The nominal amount of each SEK Bond will be SEK 10,000, each NOK Bond will be NOK 10,000 and each USD Bond will be USD 1,000.
Minimum Investment:	The minimum permissible investment upon issuance of the Bonds is SEK 1,000,000, NOK 1,000,000 and USD 150,000 respectively.
Purpose of the initial Senior and Junior Bond Issue:	<p>The proceeds from the initial Senior and Junior Bond Issue shall be applied as follows:</p> <ul style="list-style-type: none"> (a) payment of Transaction Costs of approximately SEK 45,000,000; (b) refinancing of the Existing Bonds of approximately SEK 220,000,000; (c) for the deposit of SEK 48,000,000 on the Blocked Account to be used for interest payments on the Bonds after six (6) and twelve (12) months after the First Issue Date; (d) for initial constructions costs on the Property of approximately SEK 30,000,000; (e) for repayment of existing debt to Ji Finance Sweden AB up to approximately SEK 5,000,000; and (f) the remainder, approximately SEK 34,000,000 for acquisition of Additional Assets.
Subsequent Bond Issues:	<p>The Issuer may on one or several occasions through the Arranger issue subsequent bonds (tap issue) ("Subsequent Bonds") up to a maximum amount of SEK 650,000,000 (or equivalent in NOK or USD).</p> <p>The proceeds from the subsequent issues of Subsequent Bonds may only be used for payment of Transaction Costs in connection with such issue and providing of Down-Stream Loans to the Property Company for payment of third party development and construction costs on the Property. Pending such application, the proceeds shall be deposited on the Blocked Account.</p> <p>The price of the Subsequent Bonds may be set to the Nominal Amount or to a higher or lower amount than the Nominal Amount. The Subsequent Bonds shall have the same ISIN, Interest, Nominal Amount, Final Redemption Date and other rights as the Bonds issued on the First Issue Date.</p>
Conditions for disbursement of proceeds from Subsequent Bond Issues:	The Issuer may request that all or parts of the net proceeds from the Subsequent Bonds, which shall be applied for payment of third party development and construction costs on the Property, shall be paid out from the Blocked Account by requesting such disbursement from the Trustee, accompanied with reasonable evidence showing that the proceeds will be used to pay third party suppliers and entrepreneurs, for due invoices or in advance under construction contracts. All such proceeds shall be on-lent to the Property Company in form of Down-Stream Loans and be subject to the Transaction Security.

Status of the Bonds:	The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
Junior Bonds and Intercreditor Agreement:	The Issuer will in connection with the Bond Issue, issue junior second lien bonds of up to SEK 50,000,000 (or its equivalent in NOK or USD) (the " Junior Bonds "). The Issuer, the Trustee and the Security Agent will enter into an intercreditor agreement (the " Intercreditor Agreement ") to regulate the ranking of the debt and manner of enforcement of the Transaction Security. The Trustee shall have the right to enter into and approve the terms of the Intercreditor Agreement on behalf of the Bondholders. The main terms of the Intercreditor Agreement is set out in Schedule 1.
Issuer's Call Option:	The Issuer may redeem the Bonds (all or nothing) at any time <ul style="list-style-type: none"> (a) from and including the First Issue Date to, but excluding, the First Call Date at a price equal to the Early Redemption Amount; (b) from and including the First Call Date, to but excluding, the Final Maturity Date at a price equal to 100% of the Nominal Amount plus accrued and unpaid Interest.
First Call Date:	Means the date falling eighteen (18) months after the First Issue Date.
Early Redemption Amount:	Means an amount equal to the sum of: <ul style="list-style-type: none"> (a) the Nominal Amount of the redeemed Bonds; and (b) the Interest that would have accrued on the redeemed Bonds from and including the First Issue Date to, but excluding, the First Call Date.
Amortisation:	In the event that the Property Company raises Refinancing Debt and uses such proceeds to amortize the Down-Stream Loans, the Issuer shall use such proceeds for partial prepayment of the Bonds by reducing the outstanding Nominal Amount of the Bonds with such amount <i>pro rata</i> at a price equivalent to 100 % of the Nominal Amount including accrued and unpaid Interest of the prepaid amount.
Transaction Security:	As continuing security for the due and punctual fulfillment of the Issuer's obligations under the Terms and Conditions, the Issuer will (and shall procure that a relevant security provider) grant to the Bondholders as represented by the Trustee, the following first priority security on the terms set out in the relevant security agreements (the " Security Documents "): <ul style="list-style-type: none"> (a) security over all the shares in the Property Company; (b) security over the Down-Stream Loans (including attached security in form of the Additional Mortgage Certificates); (c) security over the Additional Mortgage Certificates which shall secure the Down-Stream Loans; (d) security over the Condominium Apartments; (e) security over the Additional Security; and (f) security over the Blocked Account. <p><i>Trustee as security agent:</i></p>

	<p>The Trustee will hold the Transaction security, acting as security agent on behalf of the Bondholders in accordance with the Security Documents.</p> <p>Unless and until the Trustee has received instructions from the Bondholders to the contrary, the Trustee shall (without first having to obtain the Bondholders' consent), be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Trustee's opinion, necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Security Documents and the Terms and Conditions.</p>
Additional Security:	<p>(a) The Guarantor and the Issuer shall ensure that any security currently provided to secure the Parent Loan shall, once (and if) the Parent Loan has been repaid in full, be granted to secure the Bonds (other than those assets which have been disposed of for the purpose of the repayment of the Parent Loan).</p> <p>(b) The Issuer shall ensure that, as far as legally possible and without incurring any additional stamp duties, security is provided over any acquired Additional Assets.</p>
Subordinated Loan:	<p>The Issuer may enter into one or several loan agreements for subordinated loans provided that;</p> <p>(a) such loans are subordinated to the Bonds;</p> <p>(b) such loans mature after the Final Maturity Date and no interest payments are made during the term of the Bonds; and</p> <p>(c) a subordination agreement is entered into between the Issuer, any provider of loans to the Issuer and the Trustee prior to the entry of any such loan agreement (the "Subordination Agreement").</p>
Guarantee:	<p>The Guarantor will irrevocably and unconditionally as principal obligor, guarantee to the Bondholders and the Trustee the punctual performance by the Issuer of all the Issuer's obligations under the Finance Documents on the terms set out in the guarantee agreement to be entered into between the Issuer, the Guarantor and the Trustee (the "Guarantee Agreement").</p>
Escrow:	<p>The proceeds from the Bond Issue shall be held by the Arranger on the Escrow Accounts and shall be released when the Conditions Precedent for Disbursement have been fulfilled.</p>
Conditions Precedent prior to Issue Date:	<p>Issue of the Bonds is subject to the fulfilment of certain conditions precedent including but not limited to the Terms and Conditions duly executed and relevant corporate resolutions.</p>
Conditions Precedent for Disbursement:	<p>The Net Proceeds may be disbursed from the Escrow Accounts provided that the following conditions (in the reasonable opinion of the Trustee) are fulfilled on date of disbursement of the Net Proceeds:</p> <p>(a) confirmation from the Arranger that the Transactions Costs have or will be paid on a later date agreed by the Arranger;</p> <p>(b) duly executed corporate authorization documents, issued by any party that shall execute a Finance Document;</p> <p>(c) duly executed copies of the Finance Documents; and</p>

	<p>(d) a funds flow statement prepared by the Arranger showing the payments to be made, including cash repayment of and/or conversion from the Existing Bonds to the Bonds.</p> <p>When the Conditions Precedent for Disbursement set out above have been fulfilled to the satisfaction of the Trustee (acting reasonably), the Trustee shall notify the Arranger that Net Proceeds may be released.</p>
<p>Special Undertakings:</p>	<p>(a) Distributions from the Property Company: The Issuer shall ensure that the Property Company does not (i) pay any dividend on its shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) make any repayments on loans to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer, or (v) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer (a "Distribution"), except to the Issuer, provided that the Issuer may not apply such Distribution towards any of the transactions listed in items (i) – (v) above in relation to its shareholders or Affiliates. For the avoidance of doubt, this restriction shall not apply to distributions from the Subsidiaries Bullerforsen Fastighets AB and Fiskeby Fastighets AB made to the Issuer and thereafter to the Guarantor for purposes of debt service under the Parent Loan only and provided that this only applies as long as the Parent Loan is outstanding and that no distributions may be made to the shareholders of the Guarantor.</p> <p>(b) Distributions from the Guarantor: As from the date on which the Parent Loan has been repaid in full, the Guarantor may not (i) pay any dividend on its shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) make any repayments on loans to its direct or indirect shareholder of the Guarantor, or any Affiliates of the Guarantor, or (v) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Guarantor, or any Affiliates of the Guarantor.</p> <p>(c) Nature of business: The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such change is reasonably likely to have a Material Adverse Effect.</p> <p>(d) Financial Indebtedness: The Issuer shall not, and shall procure that the Property Company does not, incur any additional Financial Indebtedness, other than Permitted Debt.</p> <p>(e) Disposals of assets: The Issuer shall not sell or otherwise dispose of any substantial parts of its assets or the shares in the Property Company (other than shares in Bullerforsen Fastighets AB and Fiskeby Fastighets AB) and shall procure that the Property Company does not sell its assets, or operations to any person not being the Issuer, other than in compliance with the provision regarding "Permitted Disposals" below.</p> <p>(f) Negative pledge: The Issuer shall not, and shall procure that the Property Company does not, provide, prolong or renew any guarantee or security over any of its/their assets (present or future) to secure any Financial Indebtedness, other than Permitted Security.</p>

	<p>(g) Financial support: Neither the Issuer nor the Property Company shall provide any loan to any third party which is not the Issuer.</p> <p>(h) Dealings with related parties: The Issuer shall and shall procure that the Property Company conduct all dealings with the direct and indirect shareholders of the Issuer and/or any Affiliates of such direct and indirect shareholders at arm’s length terms.</p> <p>(i) Financial Reporting: The Issuer shall:</p> <p>(i) keep the latest version of the Terms and Conditions available on the website of the Issuer or the Guarantor; and</p> <p>(ii) promptly notify the Trustee when the Issuer is or becomes aware of (i) the occurrence of a Change of Control, or (ii) that an Event of Default has occurred, and shall provide the Trustee with such further information as the Trustee may request (acting reasonably) following receipt of such notice.</p>
<p>Permitted Debt:</p>	<p>Means any Financial Indebtedness:</p> <p>(a) of the Issuer incurred under the Bonds;</p> <p>(b) of the Issuer incurred under the Junior Bonds;</p> <p>(c) incurred by the Issuer under the Existing Bonds (until such is refinanced);</p> <p>(d) incurred by the Property Company under the Senior Facility Agreement;</p> <p>(e) taken up by the Property Company under the Refinancing Debt;</p> <p>(f) constituting Down-Stream Loans;</p> <p>(g) constituting a Subordinated Loan;</p> <p>(h) incurred in the ordinary course of business under Advance Purchase Agreements;</p> <p>(i) incurred by the Issuer as a vendor loan note for the purpose of the acquisition of the Condominium Apartments;</p> <p>(j) a loan from Ji Finance Sweden AB up to approximately SEK 5,000,000 (until such is refinanced); and</p> <p>(k) Financial Indebtedness incurred for the purpose of refinancing the Bonds in full.</p>
<p>Permitted Security:</p>	<p>Means any guarantee or security:</p> <p>(a) created in accordance with the Terms and Conditions;</p> <p>(b) provided on a second-priority basis for the Junior Bonds;</p> <p>(c) provided for the Existing Bonds (until such is refinanced)</p> <p>(d) provided by the Property Company under the Senior Facility Agreement;</p> <p>(e) provided by the Property Company for the Refinancing Debt, including such mortgage certificates in the Property which are currently securing the Senior Facility Agreement (once refinanced);</p> <p>(f) provided by the Issuer as security for the Parent Loan;</p> <p>(g) provided by the Company to JI Finance Sweden AB over a mortgage certificate of SEK 5,000,000 issued in the Property (until such is refinanced);</p>

	<p>(h) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);</p> <p>(i) being parent company guarantees granted in the ordinary course of business by the Issuer for the Property Company's obligations; and</p> <p>(j) provided for Financial Indebtedness incurred for the purpose of refinancing the Bonds in full.</p>
<p>Permitted Disposals:</p>	<p>The Issuer or its subsidiaries shall have the right to dispose of any assets, including properties or shares, that are subject to Transaction Security (other than the shares in the Property Company), by requesting a release of the security from the Trustee, provided that:</p> <p>(a) the assets are sold on arm length's terms at the prevailing market value; and</p> <p>(b) the Issuer ensures that at all disposal proceeds net of reasonable transactions costs (the "Permitted Disposal Proceeds") are immediately deposited on the Blocked Account.</p> <p>Unless applied as partial prepayment of the Bonds, the Issuer may request and the Trustee may in its sole discretion approve that such Permitted Disposal Proceeds are applied towards Down-Stream Loans (subject to Transaction Security) to the Property Company for the purpose of development and construction on the Property. The Issuer shall provide the Trustee with reasonable evidence that the terms of the Permitted Disposal have been satisfied. The Trustee may rely on such information without any obligation to verify such information.</p> <p>For the avoidance of doubt, the shares in Bullerforsen Fastighets AB and Fiskeby Fastighets AB (not being part of the Transaction Security) may be disposed of by the Issuer and the disposal proceeds may be applied towards repayment of the Parent Loan for which such shares have been provided as security.</p>
<p>Release of Additional Mortgage Certificates:</p>	<p>The Issuer may request that the security over the Additional Mortgage Certificates is released in order to secure the Refinancing Debt instead. The Trustee may in its sole discretion approve such release, provided that the Issuer can show that the Property Company will incur the Refinancing Debt and that part of the proceeds from such debt will be applied to amortize the Down-Stream Loans with a subsequent amortization of the Bonds. The Additional Mortgage Certificates may be released with an amount corresponding to the amount amortized under the Down-Stream Loans.</p> <p>The Trustee may also approve to release Additional Mortgage Certificates for the purpose of securing the Refinancing Debt in an amount which at that time exceeds the Down-Stream Loans.</p>
<p>Definitions:</p>	<p>"Additional Assets" means any real property, condominium apartments, condominium association or any other facility capable of being leased out, or any company or partnership owning any of the mentioned assets, provided that such asset is acquired based on the prevailing market value.</p> <p>"Additional Mortgage Certificates" means the mortgage certificates of SEK 150,000,000, within SEK 130,000,000 to SEK 280,000,000, issued in the Property.</p> <p>"Additional Security" means security over (i) all the shares issued in SEM-System FMy5 AB, (ii) the condominium apartments owned by Johan Tungård and Thomas Melin in the condominium association BRF Fakiren i Höganäs with no. F1001,</p>

	<p>F1101, F1102, N1001, N1002, N1003, N1004, N1005, N1101, N1102, N1103 and (iii) the condominium apartments owned by Johan Tungård and Thomas Melin in the condominium association BRF Carl Krooksgata 36 with no. 301, 302, 303, 304, 305, 306, 403, 404, 405, 406, 501, 502, 503, 504, 505, 506.</p> <p>"Advance Purchase Agreements" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than 90 days after the date of supply, or (b) any other trade credit incurred in the ordinary course of business.</p> <p>"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.</p> <p>"Blocked Account" means a bank account opened by the Issuer with a reputable Nordic bank, which shall be pledged to the Trustee as representative of the Bondholders, on which funds shall be deposited and be used for interest payments on the Bonds after six (6) and twelve (12) months after the First Issue Date as well as Net Proceeds from Subsequent Bonds which shall be used for for payment of third party development and construction costs on the Property.</p> <p>"Condominium Apartments" means apartments 1-7 in the condominium association BRF Hantverkaren 11 and apartments 1, 2, A1101, A1103, B1201 in the condominium association BRF Thalia 15, owned by the Issuer.</p> <p>"Down-Stream Loans" means all down-stream loans from the Issuer to the Property Company, which shall be used for development and construction on the Property and which shall be secured by the Additional Mortgage Certificates.</p> <p>"Escrow Accounts" means SEK bank accounts, NOK bank accounts and USD bank accounts opened by the Arranger with a reputable bank on which the proceeds from the Bond Issue will be held until the Conditions Precedent for Disbursement have been fulfilled.</p> <p>"Existing Bonds" means the SEK 190,000,000 (or its equivalent in USD or NOK) bonds issued by the Issuer about 14 July 2016.</p> <p>"Finance Documents" means the Terms and Conditions, the Security Documents, the Subordination Agreement (if any), the Intercreditor Agreement, the trustee agreement between the Trustee and the Issuer and any other document designated to be a Finance Document by the Issuer and the Trustee.</p> <p>"Financial Indebtedness" means any indebtedness in respect of:</p> <ul style="list-style-type: none">(a) monies borrowed or raised, including Market Loans;(b) the amount of any liability in respect of any finance leases, to the extent the arrangement is treated as a finance lease in accordance with the accounting principles applicable on the 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);
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	<p>(d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</p> <p>(e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);</p> <p>(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</p> <p>(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).</p> <p>"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 any regulated or unregulated recognised market place.</p> <p>"Material Adverse Effect" means a material adverse effect on (a) the business, financial condition or operations of any Group Company or the Guarantor, (b) the Group's or the Guarantor's ability to perform and comply with the Finance Documents, or (c) the validity or enforceability of the Finance Documents.</p> <p>"Net Proceeds" means the proceeds from the Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer for the services provided in relation to the placement and issuance of the Bonds.</p> <p>"Parent Loan" means the SEK 211,235,936 loan agreement between the Guarantor and Svea Ekonomi AB, originally dated 18 August 2015, for which the Issuer has provided certain security and guarantees.</p> <p>"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.</p> <p>"Property" means Malmö Katrinelund 29.</p> <p>"Property Company" means Malmö Katrinelund 27 AB, reg. no. 556934-3931.</p> <p>"Refinancing Debt" means bank or bond debt taken up by the Property Company of up to SEK 300,000,000, which may be applied for repayment of the Senior Facility Agreement and/or applied for financing development and construction costs on the Property and/or amortization of the Down-Stream Loans.</p> <p>"Senior Facility Agreement" means the SEK 130,000,000 senior secured credit facility, between the Property Company as borrower and Svea Ekonomi AB as lender, originally dated 13 April 2015, secured by a first priority mortgage over the Property of up to the SEK 130,000,000.</p> <p>"Transaction Costs" means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with the Bond Issue.</p>
Events of Default:	Customary Events of Default for Swedish bond issues (including customary remedy periods), including:

	<p>(a) Non-payment;</p> <p>(b) Breach of other obligations under the Terms and Conditions;</p> <p>(c) Cross-acceleration (subject to a SEK 5,000,000 threshold);</p> <p>(d) Insolvency and Insolvency proceeding;</p> <p>(e) Mergers and demergers (subject to Material Adverse Effect qualification);</p> <p>(f) Creditors' process (subject to a SEK 5,000,000 threshold and not discharged within 30 days);</p> <p>(g) Impossibility or illegality; and</p> <p>(h) Continuation of the business.</p> <p>Allocation of Proceeds: All payments by the Issuer relating to the Bonds and proceeds received form an enforcement of the Transaction Security shall be made and/or distributed in the following order of priority:</p> <p>(a) <i>first</i>, in or towards payment of the Trustee under the trustee agreement, including all costs and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights under the Finance Documents;</p> <p>(b) <i>secondly</i>, towards payment of accrued interest unpaid under the Bonds;</p> <p>(c) <i>thirdly</i>, towards payment of principal under the Bonds; and</p> <p>(d) <i>fourthly</i>, in or towards payment of any other costs or outstanding amounts under and the Bonds.</p> <p>Any excess funds after the application of proceeds in accordance with (a) to (d) above shall be paid to the Issuer.</p>
Default interest:	If the Issuer fails to pay any amount due under the Terms and Conditions, the Issuer shall pay default interest on such amount at a rate corresponding to the Interest Rate plus 5 percentage units, from and including, the date such payment was due up to and excluding the date of actual payment. Accrued default interest shall not be capitalised. If the failure to pay is caused by the Trustee or the CSD only, no default interest shall accrue, but the ordinary Interest shall apply instead.
Change of Control:	The occurrence of an event or series of events whereby the Guarantor, directly or indirectly, ceases to control 100% of the shares and votes of the Issuer, or 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.
Change of Control Clause:	Should a Change of Control occur, each Bondholder shall have a right of prepayment (the " Put Option ") of the Bonds at a price of 101% of the Nominal Amount (plus accrued and unpaid interest) during a period of 60 days following the notice of a Change of Control (the " Exercise Period "). The settlement date of the Put Option shall occur 20 Banking Days after the ending of the Exercise Period.
Repurchase of Bonds by Group Companies:	Each Group Company may at any time purchase Bonds. Bonds held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, be cancelled.
Listing:	There shall be no obligation to list the Bonds on any exchange.
Arranger:	JOOL Markets AS, Grundingen 2, 0250 Oslo, Norway.

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Trustee:	The Bondholders' agent and security agent under the Terms and Conditions and, if relevant, the Finance Documents, from time to time; initially Intertrust (Sweden) AB (org. nr. 556625-5476), Box 16285, 103 25 Stockholm, Sweden.
CSD:	With respect to NOK Bonds and USD Bonds, the Issuer's central securities depository and registrar from time to time, initially Verdipapirsentralen ASA (org. nr. 985 140 421, Fred Olsens gate 1, 0152 Oslo). With respect to SEK Bonds, the Issuer's central securities depository and registrar from time to time, initially Euroclear Sweden AB, reg. nr. 556112-8074.
Taxation:	The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable laws), and shall deduct at source any applicable withholding tax payable pursuant to law, without any gross-up obligation with respect to payments to the Bondholders.
Voting:	Notwithstanding anything to the contrary above, in connection with a voting procedure at a bondholders' meeting or by way of a written procedure, each Bondholder holding SEK Bonds shall have one vote for each SEK Bond and each Bondholder holding NOK Bonds and/or USD Bonds shall have a number of votes for each Bond owned equal to the value in SEK converted at the "Initial Exchange Ratio", based on the number of Bonds owned at close of business on the applicable record date in accordance with the records registered in the relevant CSD.
Initial Exchange Ratio:	Means the SEK/NOK or the SEK/USD exchange rate quoted on the Swedish Central Bank's website (www.riksbank.se) at 12:00 Swedish time on the Issue Date.
Terms and Conditions:	The Terms and Conditions will regulate the rights and obligations with respect to the Bonds. In the event of any discrepancy between this term sheet and the Terms and Conditions, the Terms and Conditions shall prevail. By investing in the Bonds, each investor accepts to be bound by the Terms and Conditions. Further, by investing in the Bonds each investor accepts that certain adjustments to the structure and terms described in this term sheet may occur and that they are bound by the final terms of the Terms and Conditions. The Terms and Conditions shall include provisions on the Trustee's right to represent the Bondholders, including a no action clause for Bondholders, the duties of the Trustee, procedures for Bondholders' meetings and applicable quorum and majority requirements for Bondholders' consent, the Bondholders' right to replace the Trustee, time bar provisions (Sw. <i>preskription</i>) as well as other provisions customary for a Swedish bond offering.
No action clause:	Other than to the extent expressly provided for under the Terms and Conditions, no Bondholder may take any action against the Issuer in matters relating to the Bonds or the Terms and Conditions, or take any legal steps whatsoever to recover any amount due or owing to it pursuant to the Terms and Conditions, or file an application for, or otherwise take any legal steps in respect of, the winding-up, bankruptcy, or liquidation of the Issuer or the making of an administration order in relation to the Issuer.
Governing law:	The Terms and Conditions shall be governed by and construed in accordance with Swedish law. The NOK Bonds and the USD Bonds will be registered pursuant to Norwegian securities laws. The SEK Bonds will be registered pursuant to Swedish securities laws.

FOR INFORMATION PURPOSES ONLY – THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO ACQUIRE OR INVEST IN SECURITIES AND MAY NOT BE DISTRIBUTED TO ANY INVESTOR OR REPRESENTATIVE OF INVESTOR LOCATED IN ANY JURISDICTION WHERE THIS COULD CONSTITUTE AN OFFER TO ACQUIRE OR INVEST IN SECURITIES – THIS DOCUMENT MUST BE READ TOGETHER WITH THE INVESTOR PRESENTATION CONTAINING IMPORTANT INFORMATION REGARDING THE RISKS INVOLVED IN THE KOGGBRON AB GROUP AND THE BONDS

Disputes:	<p>Any dispute or claim arising in relation to the Terms and Conditions shall be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.</p> <p>The submission to the jurisdiction of the Swedish courts shall however not limit the right of the Trustee (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.</p>
Transfer Restrictions:	<p>Except as set out below, the Bonds are freely transferrable.</p> <p>Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due to e.g. its nationality, its residency, its registered address or its place(s) for business). Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.</p>
Subject to:	<p>The issue of the Bonds shall be subject to approval by the board of directors of the Issuer, as well as any other approvals as may be required by applicable company law.</p>

Helsingborg, 22 May 2017

KOGGBRON AB (publ)
as Issuer

JOOL MARKETS AS
as Arranger

SCHEDULE 1 – MAIN INTERCREDITOR TERMS

Background:	The Transaction Security will (to the extent permitted by applicable law and practically possible) be a single security package which will be held pursuant to Swedish law and intercreditor arrangements and the Security Agent will be appointed as security agent to hold the security on behalf of each of the secured creditor classes. The waterfall arrangements in the Intercreditor Agreement will reflect the ranking of the liabilities owed by the Group Companies to the Secured Parties. The Intercreditor Agreement will incorporate, amongst others, the principles set out in the following paragraphs.
Senior Bonds:	The senior secured bonds issued by the Issuer of up to SEK 650,000,000 (or its equivalent in NOK or USD), with holder of such bonds being defined as " Senior Bondholders ".
Junior Bonds:	The second lien bonds issued by the Issuer of up to SEK 50,000,000 (or its equivalent in NOK or USD), with holder of such bonds being defined as " Junior Bondholders ".
Secured Parties:	The Agent, the Senior Bondholders and the Junior Bondholders.
Parties:	<ul style="list-style-type: none"> (a) the Issuer and the Guarantor (as defined in the Term Sheet) (the "Group Companies"); (b) Intertrust (Sweden) AB, acting as security agent (on behalf of the Secured Parties) (the "Security Agent"); (c) Intertrust (Sweden) AB, acting as Senior Bonds agent (on behalf of the Senior Bondholders) (the "Senior Bonds Agent"); and (d) Intertrust (Sweden) AB, acting as Junior Bonds agent (on behalf of the Junior Bondholders) (the "Junior Bonds Agent").
Ranking of debt:	<p>The secured obligations owed by the Group Companies to the Secured Parties and the other relevant parties shall rank in all respects in right and priority of payment in the following order:</p> <ul style="list-style-type: none"> (a) first, the Senior Bonds and the Junior Bonds <i>pari passu</i>; (b) secondly, any liabilities raised in the form of intercompany debt; and (c) thirdly, any liabilities raised in the form of shareholder debt. <p>The Junior Bonds shall have a second lien to the Transaction Security, meaning that proceeds from enforcement of Transaction Security shall be applied towards discharge of all amounts outstanding under the Senior Bonds in full before the Junior Bonds (subject to payments to the relevant agents).</p>
Right to proceeds from enforcement of Transaction Security:	<p>The proceeds received from any direct or indirect enforced realisation or sale by the Security Agent of any assets being subject to Transaction Security, payments under any Guarantees shall be paid to the Security Agent for application in the following order:</p> <ul style="list-style-type: none"> (a) firstly, in or towards payment pro rata of unpaid fees, costs, expenses and indemnities payable by the Issuer to the Security Agent;

	<p>(b) secondly, in or towards payment pro rata of unpaid fees, costs, expenses and indemnities payable by the Issuer to the Senior Bonds Agent and the Junior Bonds Agent;</p> <p>(c) thirdly, towards payment pro rata of accrued interest unpaid under the Senior Bonds;</p> <p>(d) fourthly, towards payment pro rata of principal under the Senior Bonds and any other costs or outstanding amounts under the Senior Bonds;</p> <p>(e) fifthly, towards payment pro rata of accrued interest unpaid under the Junior Bonds; and</p> <p>(f) sixthly, towards payment pro rata of principal under the Junior Bonds.</p> <p>Any excess amount after application of the waterfall above shall be paid to the Issuer for distribution to the shareholder or intercompany debt.</p>
Enforcement:	<p>(a) No Secured Party may independently accelerate, seek payment and exercise other rights and powers to take enforcement actions under the finance documents.</p> <p>(b) The Security Agent may refrain from enforcing the Transaction Security or take other enforcement actions unless instructed otherwise by the Senior Bonds Agent (acting on behalf of the majority Senior Bondholders).</p> <p>(c) Subject to the Transaction Security or the Guarantees having become enforceable in accordance with its terms, the Senior Bonds Agent (acting on behalf of the majority Senior Bondholders) may give or refrain from giving instructions to the Security Agent to enforce or refrain from enforcing the Transaction Security as they see fit.</p> <p>(d) If the Senior Bonds Agent (acting on behalf of the majority Senior Bondholders) has not given any enforcement instructions to the Security Agent within 180 days of notice of an Event of Default under the Junior Bonds, the Junior Bonds Agent (acting on behalf of the majority Junior Bondholders) shall thereafter have the right to give such instruction.</p>
Payment blocks:	There will be no payment blocks with respect to the Junior Bonds.
Limitations:	<p>Neither the Junior Bondholders nor the Senior Bondholders may increase any of their principal amounts (other than as originally anticipated within the maximum issue amounts), nor increase any amount of interest, unless mutually agreed.</p> <p>The Issuer may not redeem, repay or prepay the Junior Bonds unless the Senior Bonds are redeemed or prepaid simultaneously.</p>
Other terms:	<p>The Intercreditor Agreement will contain other customary terms such as:</p> <p>(a) turnover of amounts not permitted to be received;</p> <p>(b) voting provisions and exercise of voting rights;</p> <p>(c) security enforcement objectives;</p> <p>(d) security agent's right to release the Transaction Security;</p> <p>(e) modifications of transaction documents.</p>