

odd molly

Under proposed name change

INVESTOR PRESENTATION

September, 2021



Disclaimer (1/2)

Background

This investor presentation (this "**Presentation**") has been produced by Odd Molly International AB (publ) (the "**Issuer**", and together with its direct and indirect subsidiaries from time to time, the "**Group**") solely for use in connection with the contemplated offering of senior unsecured floating rate green bonds (the "**Bonds**") (the "**Transaction**") and may not be disclosed, reproduced or redistributed in whole or in part to any other person. The joint bookrunners for the Transaction are Nordea Bank Abp and Swedbank AB (publ) (the "**Joint Bookrunners**"). This Presentation is for information purposes only and does not in itself constitute an offer to sell or a solicitation of an offer to buy any of the Bonds. By attending a meeting where this Presentation is presented or by reading this Presentation, you agree to be bound by the following terms, conditions and limitations.

No liability

All information provided in this Presentation has been obtained from the Group or publicly available material. None of the Joint Bookrunners nor any of their parents or subsidiaries or any such company's directors, officers, employees, advisors, affiliates or representatives (collectively the "**Representatives**") shall have any liability whatsoever arising directly or indirectly from the use of this Presentation. Moreover, the information contained in this Presentation has not been independently verified, only a management interview has been carried out, and none of the Joint Bookrunners assume any responsibility for, and no warranty (expressly or implied) or representation is made as to, the accuracy, completeness or verification of the information contained in this Presentation. This Presentation is dated 22 September 2021. Neither the delivery of this Presentation nor any further discussions of the Group or the Joint Bookrunners with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since such date. Neither the Group nor the Joint Bookrunners undertake any obligations to review or confirm, or to release publicly or otherwise to investors or any other person, any revisions to the information contained in this Presentation to reflect events that occur or circumstances that arise after the date of this Presentation.

Limited due diligence

Only a limited legal due diligence has been carried out with respect to the Group, by way of a management interview. Thus, there may be risks related to the Group which are not included in this Presentation and which could have a negative effect on the Group's operations, financial position, earnings and result.

No legal, credit, business, investment or tax advice

An investment in the Bonds involves a high level of risk. Several factors could cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements that may be expressed or implied by statements and information in this Presentation, including, among others, risk or uncertainties associated with the Group's business, segments, developments, growth, management, financing and market acceptance, and, more generally, general economic and business conditions, changes in domestic and foreign laws and regulations, taxes, changes in competition and pricing environments, fluctuations in currency exchange rate and interest rates and other factors. By attending a meeting where this Presentation is presented or by reading this Presentation, you acknowledge that you will be solely responsible for and rely on your own assessment of the market and the market position of the Group and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Group, its business and the Bonds and other securities. The content of this Presentation is not to be construed as legal, credit, business, investment or tax advice. Each recipient should consult with its own legal, credit, business, investment and tax advisers to receive legal, credit, business, investment and tax advice. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this document or any applicable supplement;
- b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other bonds will have on its overall investment portfolio;
- c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- d) understand thoroughly the final terms and conditions for the Bonds; and
- e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the relevant risks.

Prospectus

The Presentation is not, and should not be considered, a prospectus for the purposes of Regulation (EU) 2017/1129 or Section 85(1) of the UK Financial Services and Markets Act 2000, as amended and has not been prepared in accordance therewith or in accordance with any other Swedish or foreign law or regulation. Accordingly, the Presentation has not been, and will not be, examined, approved or registered by any supervisory authority. Neither the Group nor any of the Joint Bookrunners has authorised any offer to the public of securities, or has undertaken or plans to undertake any action to make an offer of securities to the public requiring the publication of an offering prospectus, in any member state of the European Economic Area. However, a prospectus relating to the admission to trading of the Bonds may be prepared and approved and will, in such case, be published and available at the Swedish Financial Supervisory Authority's website and at the Issuer's website.

General restrictions on distribution

Neither this Presentation nor any copy of it or the information contained herein is being issued, nor may this Presentation, any copy of it or the information contained herein be distributed directly or indirectly, to or into Canada, Australia, Hong Kong, Italy, New Zealand, the Republic of South Africa, Japan, the Republic of Cyprus, the United Kingdom or the United States (or to any U.S. person (as defined in Rule 902 of Regulation S under the Securities Act)), or to any other jurisdiction in which such distribution would be unlawful, except as set forth herein and pursuant to appropriate exemptions under the laws of any such jurisdiction. Neither the Group nor the Joint Bookrunners or any of their Representatives have taken any actions to allow the distribution of this Presentation in any jurisdiction where any action would be required for such purposes. The distribution of this Presentation and any purchase of or application/subscription for Bonds or other securities of the Group may be restricted by law in certain jurisdictions, and persons into whose possession this Presentation comes should inform themselves about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the applicable securities laws of any such jurisdiction. None of the Group or the Joint Bookrunners or any of their Representatives shall have any liability (in negligence or otherwise) for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation.

Disclaimer (2/2)

Restrictions in the United Kingdom

In the event that this Presentation is distributed in the United Kingdom, it shall be directed only at persons who are either (a) "investment professionals" for the purposes of Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (b) high net worth companies, unincorporated associations and other persons to whom it may lawfully be communicated in accordance with Article 49(2)(a) to (d) of the Order, or (c) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Bonds may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity to which this Presentation relates will be available only to Relevant Persons and will be engaged in only with Relevant Persons.

Restrictions in the United States

The information in this Presentation is not for release, publication or distribution, directly or indirectly, in or into the United States or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction in the United States and this Presentation does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. This Presentation may not be distributed into or in the United States or to any "US person" (as defined in Rule 902 of Regulation S under the Securities Act) absent registration or pursuant to an applicable exemption from, or in transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. **Conflict of interest**

The Joint Bookrunners and/or their Representatives may hold shares, options or other securities of the Group and may, as principal or agent, buy or sell such securities. The Joint Bookrunners may have other financial interests in transactions involving these securities or the Group.

The Issuer and any other member of the Group may, subject to applicable laws, purchase Bonds. It should be noted that the Group may have interests that conflict with other bondholders particularly if the Group encounters difficulties or is unable to pay its debts as they fall due.

Target market

Solely for the purposes of each manufacturers' (as used herein, "**Manufacturers**" refers to each Joint Bookrunner) product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Bonds to eligible counterparties, professional clients and retail clients are appropriate.

Any person subsequently offering, selling or recommending the Bonds (a "**Distributor**") should take into consideration the Manufacturers' target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the Manufacturer's target market assessment) and determining appropriate distribution channels.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Bonds.

PRIIPs regulation

As the Bonds are not deemed to fall within the scope of Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**"), no PRIIPs key information document (KID) has been prepared.

Placement Fee

The Joint Bookrunners will be paid a fee by the Issuer in respect of the placement of the Transaction.

Forward looking statements

Certain information contained in this Presentation, including any information on the Group's plans or future financial or operating performance and other statements that express the Group's management's expectations or estimates of future performance, constitute forward-looking statements (when used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Group or its management, are intended to identify forward-looking statements). Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. The Group cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Group to be materially different from the Group's estimated future results, performance or achievements expressed or implied by those forward-looking statements.

Audit review of financial information

Certain financial information contained in this Presentation has not been reviewed by the Group's auditor or any other auditor or financial expert. Hence, such financial information might not have been produced in accordance with applicable or recommended accounting principles and may furthermore contain errors and/or miscalculations. The Group is the source of the financial information, and none of the Joint Bookrunners or any of their Representatives shall have any liability (in negligence or otherwise) for any inaccuracy of the financial information set forth in this Presentation.

Governing law and jurisdiction

This Presentation is subject to Swedish law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Swedish courts.

Table of contents

1. Transaction summary

5

2. Introduction to Odd Molly

10

3. Property portfolio

18

4. Market overview

25

5. Green Finance Framework

27

6. Financial overview

30

7. Appendix

34

8. Risk factors

37



odd molly

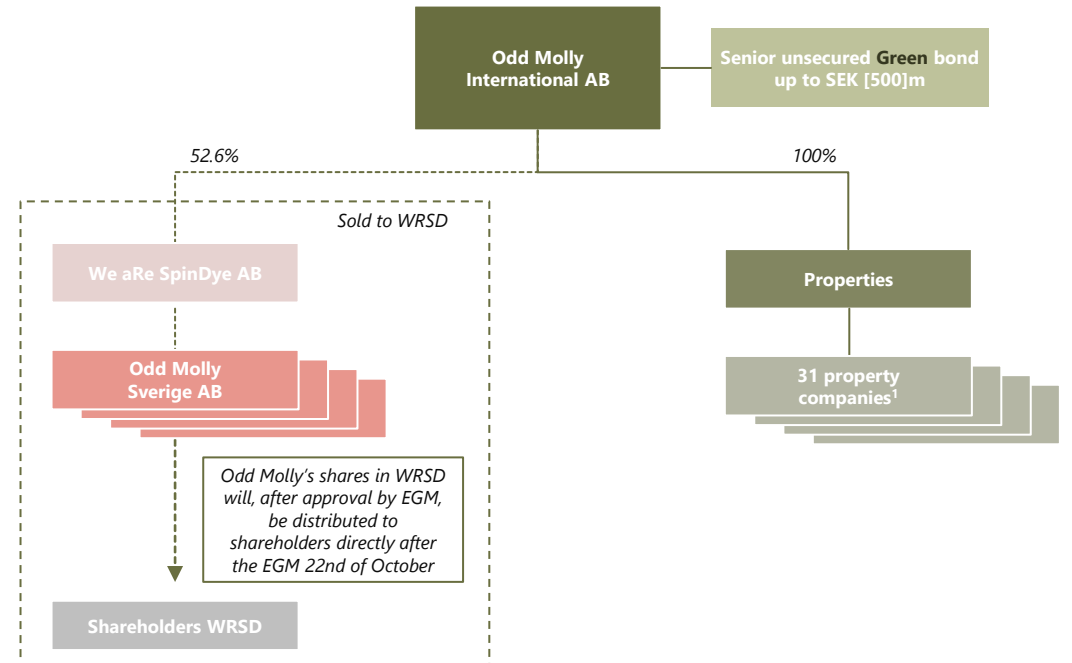
Transaction overview

Issue in brief

- Odd Molly International AB (publ) ("**Odd Molly**" or the "**Company**") is a publicly listed Swedish company established in 2002 as a fashion company
- On 1 July 2021, the Company sold the fashion business to We aRe SpinDye AB (publ) ("**WRSD**")
- Odd Molly received new issued shares in WRSD as payment for the sale of the fashion business. These shares, representing 52.6% of total shares in WRSD, will, after approval by EGM, be distributed through a "Lex Asea" dividend after the EGM on 22 October 2021. Shareholders representing above 50% have already entered into binding voting obligation in favour of the decision
- The extra general meeting will also among other things take decision to change the company name and to new elect Bengt Kjell to the Board as vice chairman
- Odd Molly is now a pure real estate company owning and managing warehouse-, logistics- and light industrial properties
- On 20 September 2021, Odd Molly presented Niklas Zuckerman and Anders Nordvall as CEO and Vice CEO respectively, further strengthening the Company prospects of becoming a leading Real Estate company in Sweden
- Odd Molly is now contemplating issuing SEK denominated senior unsecured Green bonds with an expected amount of up to SEK 500m and a tenor of 3.0 years

Source: Company information. Note: 1) As per 2021-09-17

Issuer overview



As a streamlined real estate company focusing on warehouse and logistics, the Company has proposed an EGM on October 22, 2021, to change the Company's name

Indicative term sheet

Issuer:	Odd Molly International AB (publ) (the “ Issuer ”)
Instrument:	Senior unsecured green bonds (the “ Bond ”)
Issue:	Stand alone documentation
Issue size:	Up to SEK 500m with the possibility to issue subsequent bonds under a framework of SEK 1,000m
Denomination:	SEK 1,250,000
Coupon:	3m STIBOR + [-]bps
Tenor:	3.0 years
Use of proceeds:	In accordance with the principles set out in the Green Finance Framework
Call structure:	100% per cent. of the Nominal Amount plus the remaining interest payments, from First Issue Date to, but excluding, Final Maturity Date. Callable @100% after 33 months (if refinanced by a new market loan)
Investor put options:	@101% upon either a Change of Control Event, a Listing Failure Event or a Delisting (Issuer’s shares or bonds (once listed) have ceased to be listed on a regulated market
Financial covenants:	The Issuer shall at all times procure that (on a consolidated group level): <ul style="list-style-type: none"> – Net Loan to Value: ≤ 70% – ICR: ≥ 1.75x
Dividend restrictions:	Max 50% of previous year’s net profit subject to an equity ratio of ≥ 25.0%
Other undertakings:	<ul style="list-style-type: none"> • Debt restrictions: All market loans of the group to be issued by the Issuer on an unsecured and unguaranteed basis and with a maturity date falling after the maturity date of the Bonds • Other standard undertakings/restrictions such as compliance with laws and authorisations, no substantial changes to the nature of business, quarterly financial reporting, disposal of assets etc.
Cross default / acceleration:	Cross payment default / cross acceleration with a threshold of SEK 25m
Admission to trading:	Sustainable Bond List on Nasdaq Stockholm within 60 days from the first issue date (with the intention to list within 30 days from first issue date)
Agent:	Nordic Trustee
Governing law:	Swedish law
Joint bookrunners:	Nordea and Swedbank

Note: Full definitions to be found in the Terms & Conditions

Today's presenters

PATRIK TILLMAN



- **Chairman of the board** since 2013 (member of the board since 2004)
- **Education:** Economics at Stockholm University
- **Selected background:** CEO and Co-founder Lenner & Partners, M2 Asset Management, PFG Group, Indiska Magasinet, Klosterinvest, Tobi Properties, Recence Fastighets AB
- **Ownership:** Direct: 2,725,455 shares
Indirect: 17,776 shares

PHILIP LÖFGREN



- **CFO** since 2021
- **Education:** Business at Stockholm University
- **Selected background:** Estanica Logistik, Nordic Gatekeeper, Millenium Fastigheter Holding, Vasabron Konsult, Skogsstugan Invest
- **Ownership:** Direct: 750,000 shares
Indirect: 3,827 shares

TOBIAS LÖVSTEDT



- **COO** since 2021
- **Education:** Economics at Stockholm University, Real-estate & Business at KTH
- **Selected background:** Jernhusen, SBB
- **Ownership:** Direct: 157,000 shares

Key investment highlights

A sustainable, fast-growing Logistics company

- The property business was established during the end of 2019 and as of 30 June 2021, the property portfolio consists of 22 warehouse-, logistics- and light industrial properties with a total value of SEK 1.3bn. Total portfolio including acquisitions post Q2 2021, signed letters of intent and ongoing projects amounts to approx. SEK 2.2bn
- Focus on sustainable growth through acquisitions and investments in properties and land in strategically located areas
- Backed by strong owners with a management team and board of directors with long experience from the industry

Cash flow driven properties in growth areas with a diversified tenant base and long lease contracts

- Acquiring Logistics properties with a property yield of ~7% in the south of Sweden with strategic locations close to main transportation roads and aim to have two to three projects ongoing to increase portfolio through both acquisitions and own development
- Odd Molly has a diversified tenant base with long lease contracts of which 53% matures on or after 2026 creating stable cash flows
- Vacancy rate close to 0% and lease duration of 5.9 years
- 7-8 years long triple net agreements signed with majority of tenants to reduce risk of increased costs

Attractive market with increased demand

- The Swedish logistics market has recovered well and 2021 is expected to be a record year in terms of transaction volume
- While the overall transaction market declined as a result of the Covid-19 pandemic, the willingness to invest in logistics properties increased due to higher demand within e-commerce (i.e. 40% increase between 2019 and 2020¹) driven by new customer behaviors as well as the properties' strong and stable cash flows

Minimizing the environmental impact through ambitious sustainability targets

- The Company has an ambition to minimize the environmental impact by following the principle of circularity, improving energy efficiency across the portfolio and set ambitious sustainability targets
- A Green Finance Framework has been established with a second opinion from ISS ESG who assessed the framework to support the global targets; 7 "Sustainable energy for everyone", 11 "Sustainable cities and societies" and 13 "Fight the climate changes"
- Odd Molly aims to obtain environmental certifications for the majority of the properties through major renovations and in new productions

Strong growth with stable future cash flows

- Strong growth since Q3 2020 when Odd Molly decided to put all efforts on becoming a Logistics company. The earnings capacity for rental income is, by Q2 2021 estimated to SEK 83.6m compared to a rental income of SEK 47.4m as of LTM 30 June 2021
- Solid key financials with great headroom to bond covenants
- Investments in properties providing stable cash flows going forward

Source: Company information. Note: 1) E-barometern 2020

Table of contents

1. Transaction summary	5
2. Introduction to Odd Molly	10
3. Property portfolio	18
4. Market overview	25
5. Green Finance Framework	27
6. Financial overview	30
7. Appendix	34
8. Risk factors	37



odd molly

Odd Molly in brief

A Logistics company originating from a fashion brand

- Odd Molly was established as a fashion brand in 2002 but since 2019 the Company has been converting into a real estate company. With the sale of the fashion business in July 2021, Odd Molly is now a pure real estate company
- The Company focuses on owning and managing warehouse-, logistics and light industrial properties in the south of Sweden as well as acquiring land to build and manage their own properties within the same segment
- The intention is to build sustainable properties as well as to convert acquired properties to environmental certified properties
- Odd Molly is backed by strong owners and has a well experienced management team with long history from the real estate industry

Key figures as of 30 June 2021¹⁾

83.6

Rental income²⁾,
SEKm

1,279

Property value, SEKm

42.8

Equity ratio, %

51.4

Net LTV, %

2,180

Property value³⁾,
SEKm

22

Number of
properties

151,065

Lettable area,
sqm

5.9

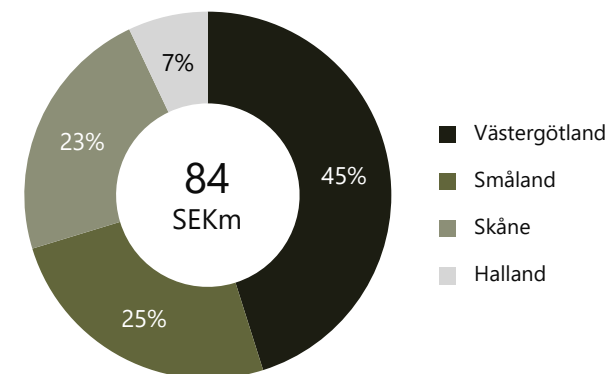
WAULT, yrs

~7

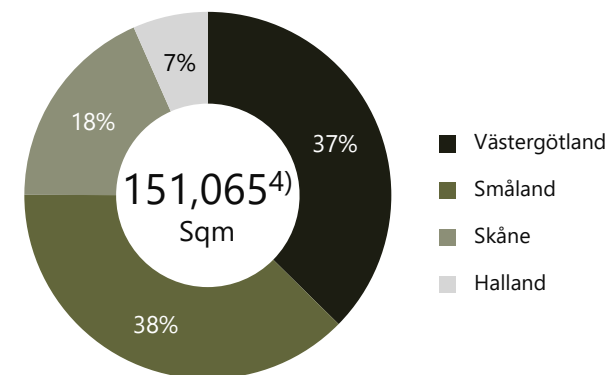
Acquisition
property yield, %

Geographical presence in the south of Sweden

Rental value by region

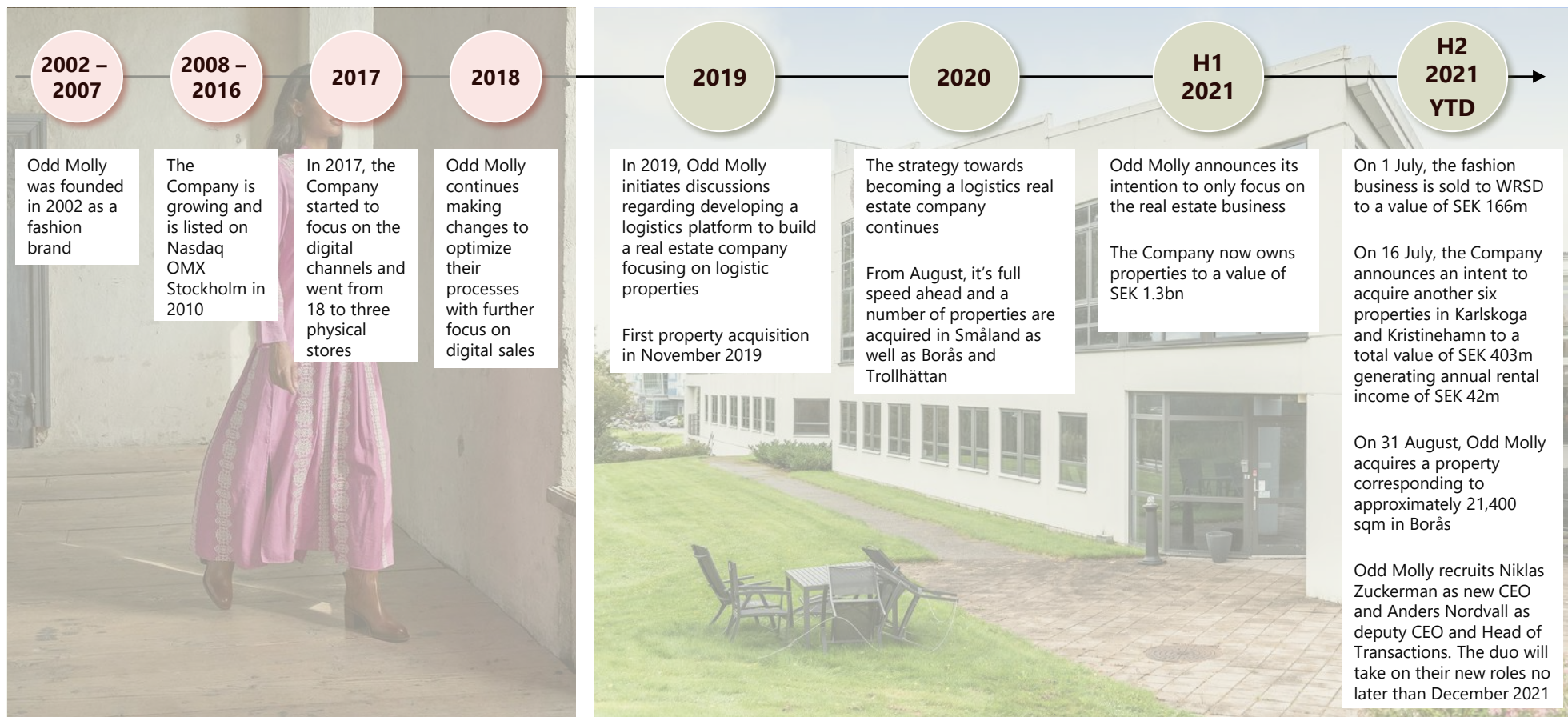


Lettable area by region



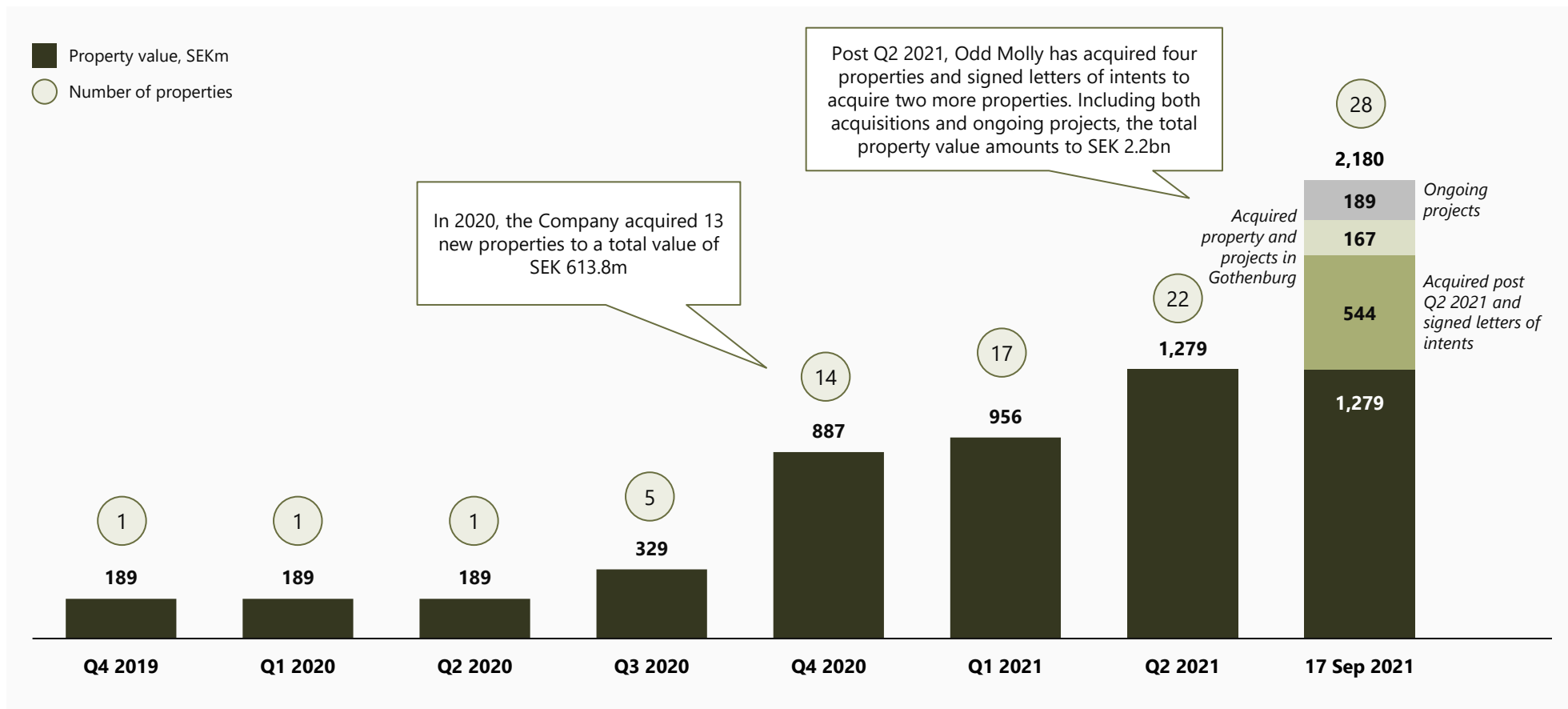
Source: Company information. Notes: 1) All key figures excluding the fashion business, 2) Earnings capacity as of 2021-06-30, 3) Including announced acquisitions, agreed letters of intents and ongoing projects, 4) Adjusted post Q2 2021

A logistics company with roots from a well-known fashion brand



Source: Company information

Fast-growing Logistics company challenging the market



High acquisition pace enables the Company to grow with the goal of becoming a significant player in the existing Swedish real estate market

Source: Company information

Sustainable business model with focus on acquisitions

Acquisition focused business model in a strong and continuously growing segment

- The demand for logistics properties is high and is supported by the ongoing digitalisation and growth within e-commerce
- Odd Molly is seeking to utilize logistically well situated areas in southern Sweden, capturing both the economic and operational value in such locations
- Acquiring Logistics properties and leasing it to external tenants
- Acquiring both land with building rights as well as completed properties enables offering contracts with little intromission time which results in stable cash flow from the start
- Creating long-lasting relationships with customers and industry participants

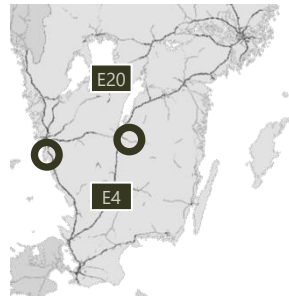
Becoming an important and trusted player in central logistics areas in Sweden through fast and sustainable growth

Clear project and acquisition strategy

The strategy is to build stakeholder value through continued expansion, focused on Logistics properties in carefully targeted locations



Create strong local presence around logistic hubs



Future-proofing the business

The goal is to have a portfolio of modern properties that have future-proved energy sources and construction processes



Further investing in properties and relations

Key factors to continue growing in a sustainable way will be investments in properties as well as building strong relationships to tenants with long contract durations



Leading Logistics company in Sweden

Target to become a leading, listed real-estate company with focus on Logistics properties in Sweden



Sustainability at Odd Molly

Odd Molly's sustainability targets

- 1 100% of new constructions shall be environmentally certified going forward
 - 2 Clear focus on contributing to Agenda 2030 and the SDGs¹⁾
 - 3 Engaged in the local community
-  **Ambitious sustainability work with focus on the entire value chain**



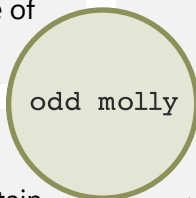
Sustainability overview

Sustainability focus

- Odd Molly's ambition is to minimize the environmental impact:
- ✓ Follows the principle of circularity throughout the value chain, e.g., recycling and disposal of waste
 - ✓ Ambition to improve the energy efficiency across the portfolio
 - ✓ Odd Molly has a Sustainability Policy, Working Environment Policy and Code of Conduct for suppliers in place

Green Finance Framework

- ✓ Odd Molly has established a Green Finance Framework which enables the Company to issue green debt instruments
- ✓ The Framework has been reviewed by ISS ESG
- ✓ Green eligible assets under the framework include i) Green & energy efficient buildings ii) Energy efficiency



Environmental certifications

- ✓ Going forward, Odd Molly aims to obtain an environmental certification for new buildings and for a majority of buildings where major renovations take place
- ✓ 100% of new constructions will be certified according to BREEAM In-Use Very Good or Excellent



Social projects

- ✓ Odd Molly supports and creates opportunities for preventive healthcare in Borås and Vaggeryd Logistik Park
- ✓ Proximity to old clothing collection for all tenants; in close collaboration with a Swedish non-profit organization named Children's hope (Sw. "Barnens hopp")



1) Sustainable Development Goals
Source: Company information

Lead and supported by a well experienced team

Management



NIKLAS ZUCKERMAN

Incoming CEO¹⁾²⁾

Selected background: Savills, Cushman & Wakefield, Catella Corporate Finance

Ownership: Direct: 60,000 shares



ANDERS NORDVALL

Incoming vice CEO¹⁾²⁾

Selected background: Savills, CEO Cushman & Wakefield, Catella Corporate Finance

Ownership: Direct: 60,000 shares



PHILIP LÖFGREN

CFO

Selected background: Estanica Logistik, Nordic Gatekeeper, Millenium Fastigheter Holding

Ownership: Direct: 750,000 shares,
Indirect: 3,827 shares



TOBIAS LÖVSTEDT

COO

Selected background: Jernhusen, SBB

Ownership: Direct: 157,000 shares

Board of directors



PATRIK TILLMAN

Chairman of the Board

Selected background: CEO and Co-founder Lenner & Partners, M2 Asset Management, PFG Group, Indiska Magasinet, Klosterinvest, Tobi Properties, Recence Fastighets AB

Ownership: Direct: 3,179,696 shares,
Indirect: 17,776 shares



JOHAN MARK

Board member

Selected background: Dynamic Code, Royal Design Group, J.Lindberg, Indiska Magasinet, Björn Borg

Ownership: Direct: 23,333 shares



CAROLINE THAGESON

Board member

Selected background: CEO Trenäs Förvaltning, SkandiaMäklarna, Bjurfors, Erik Olsson Fastighetsförmedling

Ownership: Direct 8,200 shares,
Indirect: 3,865,828 shares



BENGT KJELL

Proposed new vice chairman

Selected background: Amasten, SSAB, Pandox, Indutrade, Industrivärlden

Ownership: Direct: 500,000 shares



SANJA BATLIJAN

Board member

Selected background: CEO Nynäshamnsbostäder and Tegeltraven Holding, Swedish Red Cross, Kameo AS, SABO, Lunds Energi

Ownership: Indirect: 20,038,511 shares



FREDRIK PALM

Board member

Selected background: Founder and CEO of Nybrofast, Heimstaden, Tricoreal Mitten Project, Alecta, Coneva, Midstar, CBRE, Ramboll

Ownership: -

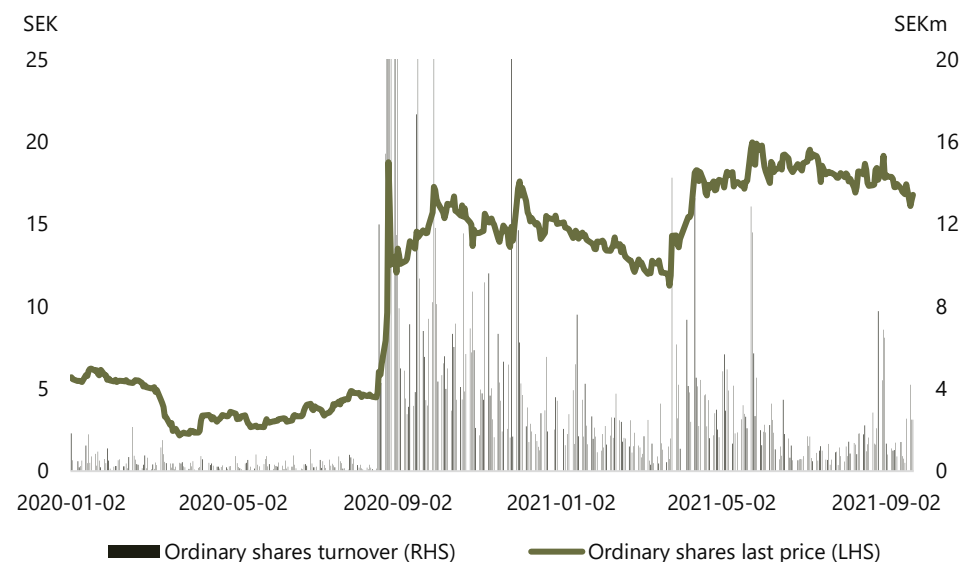
Source: Company information. Notes: 1) The current CEO of Odd Molly International, Jennie Högstedt Björk, will remain in her role until Niklas Zuckerman takes on the CEO role. Jennie will thereafter transition to fully focus on leading the fashion business, 2) Niklas and Anders will take on their new roles no later than December 2021

Strong owners and positive share development

Main shareholders as per June 30, 2021

Owners	Total number of shares	Holdings %
Ilija Batljan directly or via company	20,038,511	26.1
M2 Capital Management AB	7,817,793	10.2
Phoenix Insurance Ltd.	6,807,498	8.9
Stefan Hansson directly or via company	4,791,295	6.3
Trenäs Förvaltning AB	3,865,828	5.0
Kattvik Financial Services AB	3,179,696	4.1
A.T.V Holding AB	2,757,077	3.6
Avere Fastigheter Holding AB	2,442,000	3.2
Rolf and Annika Alexander directly or via company	2,575,908	3.1
Nirvana Invest AB	2,106,000	2.7
Other shareholders	20,458,382	26.7
Total	76,657,602	100%

Common share price development



- Odd Molly has a strong owner base with extensive sector experience. The largest shareholders are Ilija Batljan and M2 Capital Management, owned by Rutger Arnhult
- As of 30 June 2021, Odd Molly had approximately 8,200 shareholders
- Odd Molly was listed on Nasdaq First North in 2007 and later listed on Nasdaq Stockholm in 2010
- After the announcement that Odd Molly is becoming a pure real estate company, the common share price has seen a very positive development
- Share price SEK 16.79 as per 22 September 2021

Source: Company information and Bloomberg as of 2021-09-22

Table of contents

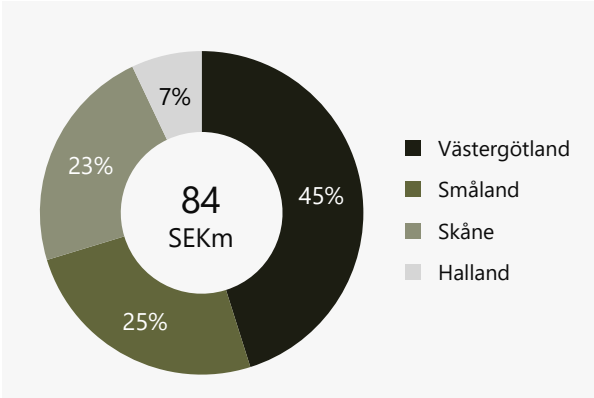
1. Transaction summary	5
2. Introduction to Odd Molly	10
3. Property portfolio	18
4. Market overview	25
5. Green Finance Framework	27
6. Financial overview	30
7. Appendix	34
8. Risk factors	37



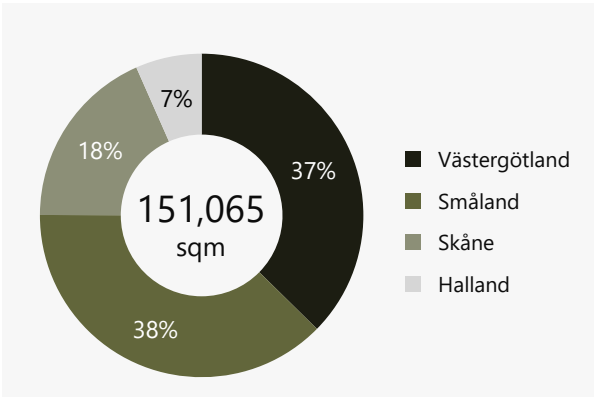
odd molly

Strategically located Logistics properties in the south of Sweden with strong infrastructure connections

Rental value by region



Lettable area by region



Geographical presence

Diverse geographical portfolio, with properties strategically located close to main transportation roads

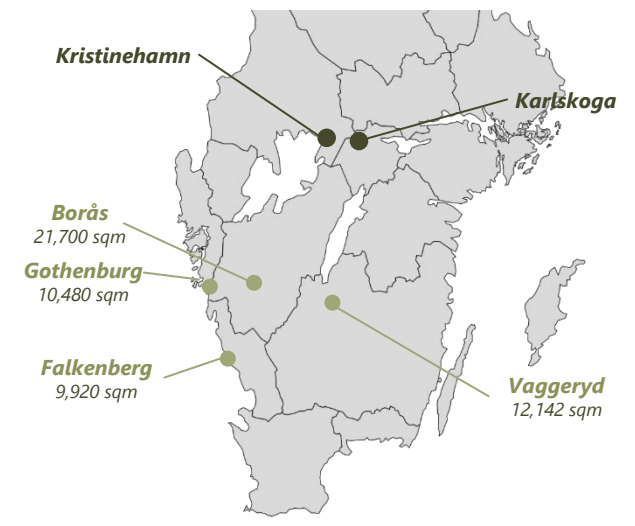
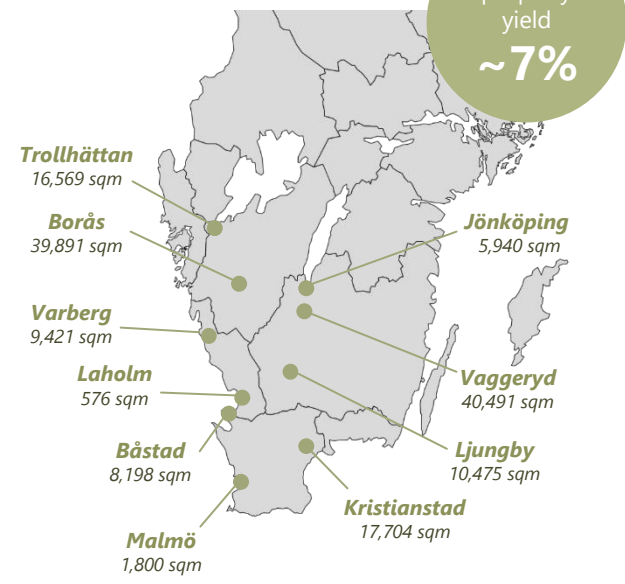
Odd Molly continue to grow their presence in the south of Sweden, acquiring several attractive logistics properties

● Property portfolio per 30 June 2021

● Properties acquired after 30 June 2021

● Upcoming acquisitions, announced after 30 June 2021

Acquisition property yield ~7%



Source: Company information

Selected properties



Vindtunneln 3
Borås

Rental income:
SEK 1.2m
Lettable area:
1,559 sqm



Vindbryggan 6
Borås

Rental income:
SEK 4.7m
Lettable area:
5,487 sqm



Vindrosen 4
Borås

Rental income:
SEK 6.9m
Lettable area:
8,867 sqm



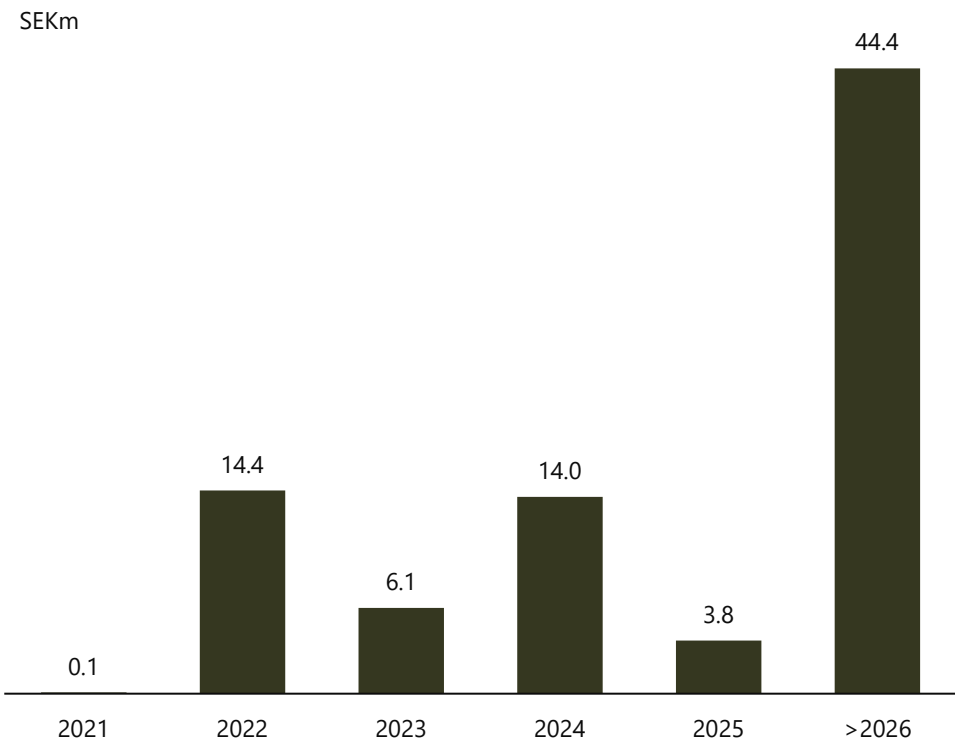
Flahult 77:7
Jönköping

Rental income:
SEK 3.1m
Lettable area:
5,940 sqm

Logistics properties at attractive locations in the south of Sweden which benefit from strong infrastructure connections

Diversified tenant base generating stable cash flows

53% of the contract lease value matures after 2026



Diversified income base distributed across >50 individual tenants



10 largest tenants stood for ~57% of total contract value as of 30 June 2021

Low tenant risk

Triple net agreements
7-8 yrs

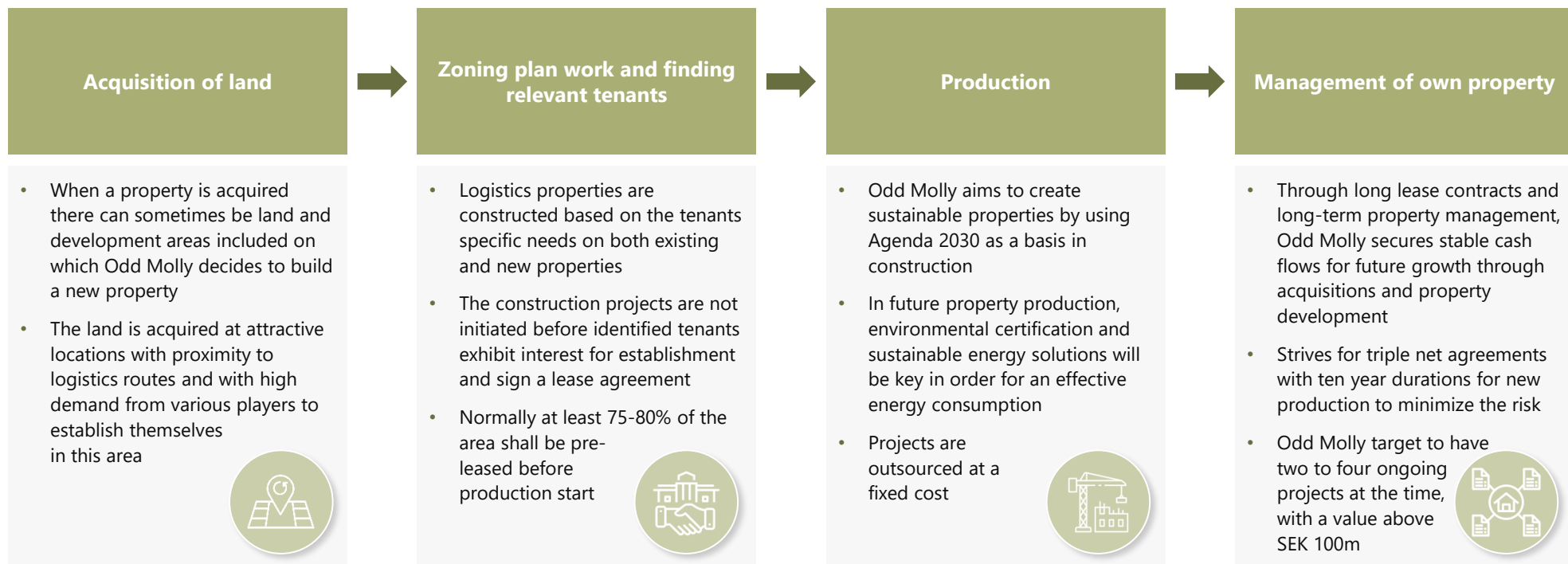
WAULT
5.9 yrs

Individual tenants
>50

Diversified tenant base with long lease contracts providing stable cash flows for future value creation

Source: Company information

Project portfolio – a small but profit driven part of the business



Target of having two to four ongoing projects at the time, already leased when the project starts

Case Study

Vaggeryd Logistik Park: The new logistics hub in southern Sweden

Odd Molly will in a jointly owned project, develop sustainable Logistics properties in Vaggeryd

- On December 15, Odd Molly acquired a property portfolio in Vaggeryd. The acquisition included two investment properties and a larger land development area located along the E4 in Vaggeryd
- In total, the property portfolio comprises a land area of 380,000 sqm, of which existing leased storage and logistics lettable area amounts to 26,700 sqm and currently leased outdoor land amounts to 89,000 sqm
- In a jointly owned project, Odd Molly together with Vaggeryd Utveckling AB will develop logistics properties in the area under the name Vaggeryd Logistik Park
- The ground is mostly flat with hard surfaces and has previously been used for wood chips and wood piles. In addition to good logistics and signage along the E4, there is also a railway track close to the property
- Furthermore, Vaggeryd Energi plans to erect a new district heating plant on a directly adjacent property, which is expected to bring benefits to future tenants in the area
- The yield on cost for the project is expected to be 8.0%



Green sustainable project

The property owners aim to develop Vaggeryd Logistik Park as a Green sustainable project including Solar energy and green waste management

Excellent build to suit opportunity

Opportunity to be a part of forming a new logistics park with excellent infrastructure, maximum electricity supply and build to suit arrangement

Top infrastructure

The area has all the fundamental parameters to become an excellent location for logistics and industrial use due to close proximity to superb infrastructure

The new logistic hub in the heart of southern Sweden along the artery of Sweden's road transportation

Case Study

Odd Molly acquires property from Cellbes

Odd Molly continues to grow their property portfolio through the acquisition of Cellbes logistics property of SEK 63m

- Odd Molly continues to grow its portfolio of Logistics properties
- During the end of August, Odd Molly closed the transaction of the e-commerce company Cellbes' existing logistics property of 12,700 sqm of lettable area in Viared Borås, Sweden, with an underlying agreed property value of SEK 63m
- After further extension of approximately 8,700 sqm, the property is expected to have a lettable area of approximately 21,400 sqm and include a new modern logistics facility to Cellbes with a fully automated warehouse adjacent to the existing building
- The yield on cost for the project and the existing property is expected to be 8.1%
- The extension of the property will be environmentally certified according to BREEM in use Very Good or Excellent
- After completion of the extension, the annual rent is estimated at approximately SEK 12.5m, of which Cellbes rents approximately 13,000 sqm and during a so-called "triple-net"-agreement with a maturity of 12 years and planned move-in during the first half of 2022
- Through the acquisition, Cellbes will become Odd Molly's third largest tenant

21,400

Lettable area, sqm

63

Property value, SEKm

12.5

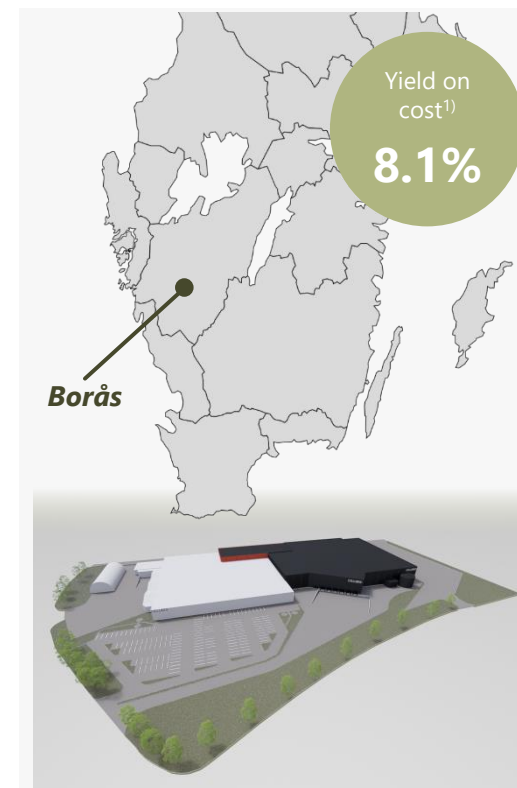
Rental value, SEKm

12

Contract lease, yrs

Borås

Location



The transaction strengthens Odd Molly's presence in Borås, a region intended for continued growth

Note: 1) YoC is expected to be 8.1% for the existing property and the extension, and ~14.5% when the properties are fully let. Source: Company information.

Table of contents

1. Transaction summary	5
2. Introduction to Odd Molly	10
3. Property portfolio	18
4. Market overview	25
5. Green Finance Framework	27
6. Financial overview	30
7. Appendix	34
8. Risk factors	37



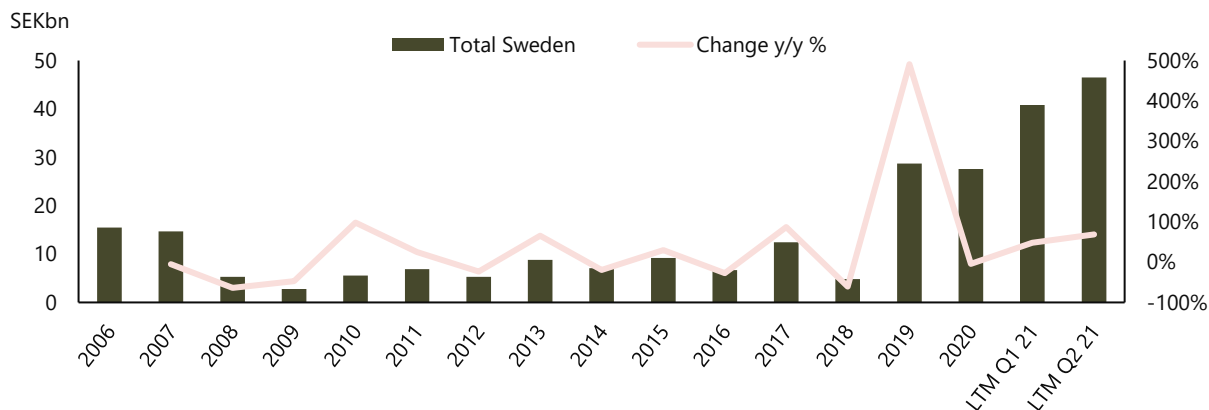
odd molly

Logistics property market trends in favour of Odd Molly's strategy

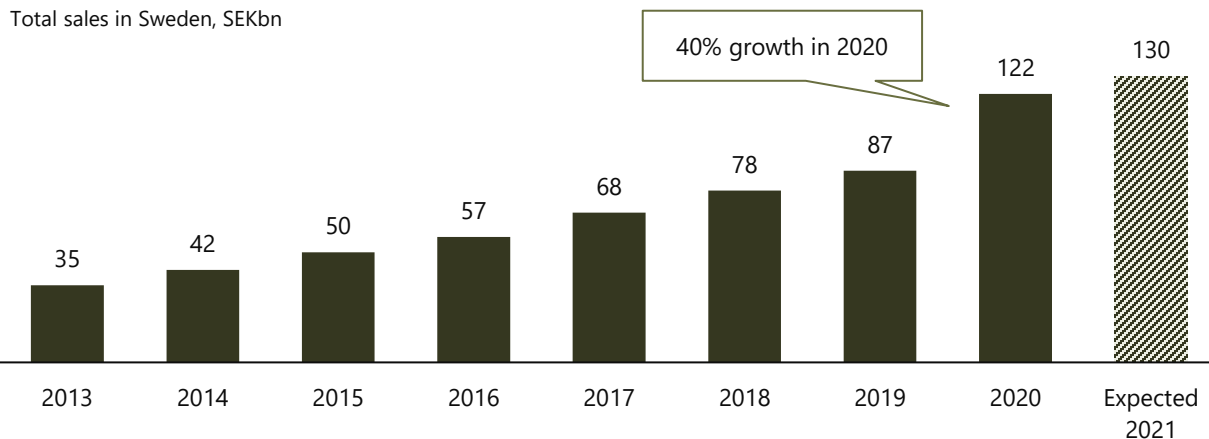
Comments

- The Swedish real estate market has in 2021 recovered well from a somewhat hesitant market in 2020, and 2021 is estimated to be a record year in terms of transaction volume
- Financing conditions remain favorable with low interest rates while the supply of domestic and foreign capital is high which leads to good conditions for the real estate market
- Within the logistics segment, the Covid-19 pandemic has contributed to increased interest and willingness to invest in logistics properties driven by the increase in e-commerce, which is a consequence of a change in buying behaviour, combined with strong and stable cash flows of logistics properties
- E-commerce increased by 40% in 2020 compared to 2019 and as many as 96% of Sweden's population purchased something online in 2020, compared to 70% in 2019
- A continued strong demand of last-mile logistics properties combined with increased e-commerce create good prerequisites for a continued strong logistics market going forward

Logistics transaction volume



E-commerce growth in Sweden



Source: JLL, Company information, Pangea "Pangea Property Outlook 2021 Sweden", spring 2021, E-barometern 2020

Table of contents



1. Transaction summary	5
2. Introduction to Odd Molly	10
3. Property portfolio	18
4. Market overview	25
5. Green Finance Framework	27
6. Financial overview	30
7. Appendix	34
8. Risk factors	37





odd molly

Odd Molly's Green Finance Framework¹⁾

Use of proceeds

Category	Eligible Green Assets
 <p>Green and energy efficient buildings</p>	<p>All new construction, existing and acquired buildings that meet one of the following requirements:</p> <ul style="list-style-type: none"> ✓ BREEAM Very Good or above, BREEAM In-Use Very Good or above, Green Building or other minimum equivalent certification standard in terms of energy consumption after the completed construction; or ✓ An energy performance certificate (EPC) A or B; or ✓ An energy consumption at least 20% below the applicable national building regulation; or ✓ Major renovations resulting in reduced energy consumption of at least 30%
 <p>Energy efficiency</p>	<ul style="list-style-type: none"> ✓ Solar panels ✓ Energy retrofits such as: <ul style="list-style-type: none"> ○ Heat pumps ○ Converting to LED lighting ○ Installation of photovoltaic glass ○ Improvements on ventilation systems ○ Extension of district heating and cooling systems

Annual reporting

 <ul style="list-style-type: none"> • Information on the energy consumption in kWh/m²/year • Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e) • Energy performance certificate class, if any • Type of certification including level, if any (e.g. BREEAM Very Good etc.) 	 <ul style="list-style-type: none"> • Amount of energy saved per m² • Estimated annual greenhouse gas emissions reduced or avoided (tCO₂e)
---	---

Current pool of Eligible Green Assets²⁾

Current pool of Eligible Green Assets amounts to c. **SEK 670m**

The green pool consists of e.g., the following projects:

- ✓ Vaggeryd, BREEAM in use Very Good or Excellent
- ✓ Cellbes, further extension, BREEAM in use Very Good or Excellent
- ✓ Kungälv, BREEAM in use Very Good or Excellent
- ✓ Kungsbacka, BREEAM in use Very Good or Excellent
- ✓ Investments in solar panels



*The Company's preliminary EU Taxonomy assessment suggests that its activities contribute to the environmental objective **Climate Change Mitigation***

Odd Molly's Green Finance Committee

Selection of Eligible Assets is managed by Odd Molly's Green Finance Committee ("GFC") consisting of the following members:

<p>1</p>  <p>Incoming CEO Niklas Zuckerman</p>	<p>2</p>  <p>CFO Philip Löfgren</p>	<p>3</p>  <p>CPM³⁾ Johan Jörgner</p>
---	--	--

Source: Company information. Notes: 1) For more information, please see the full Green Finance Framework published on Odd Molly's website, 2) Green portfolio eligible for financing with Green bonds, 3) Construction project manager

Second Opinion by ISS ESG

ISS ESG Assessment Summary

SPO Section	Summary	Evaluation
1 Green Bond link to issuer's sustainability strategy	<ul style="list-style-type: none"> ISS ESG finds that the use of proceeds financed through the Green Finance Framework are consistent with Odd Molly's sustainability strategy and material ESG topics for the Company's industry The rationale for issuing green bonds is clearly described by Odd Molly 	Consistent with the sustainability strategy
2 Alignment with GBPs¹⁾	<ul style="list-style-type: none"> Odd Molly has defined a formal concept for its Green Finance Framework regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA Green Bond Principles 	Positive
3 Sustainability quality of the Selection Criteria	<ul style="list-style-type: none"> The Sustainability quality of the Selection Criteria is good based upon the assessment The eligible categories have a significant contribution to SDGs¹⁾ 7 'Sustainable Energy Use', SDG 11 'Sustainable Buildings and Cities' and 13 'Climate action' The environmental and social risks associated with those use of proceeds categories have been well managed 	Positive

Highlights from Second Opinion



"ISS ESG considers the Use of Proceeds description in the Green Finance Framework as aligned with the ICMA Green Bond Principles"

"...the Use of Proceeds financed through this Financing Framework are consistent with the sustainability strategy..."

"The rationale for issuing green bonds is clearly described by the issuer"

Selected Use of Proceeds	Contribution or Obstruction	Sustainable Development Goals
Green Buildings (BREEAM Very Good and above)	Significant contribution	
Energy Efficiency Projects (Solar panels)	Significant contribution	

Notes: 1) Green Bond Principles, 2) Sustainable Development Goals. For more information, please see the full Second Opinion by ISS ESG published on Odd Molly's website

Table of contents

1. Transaction summary	5
2. Introduction to Odd Molly	10
3. Property portfolio	18
4. Market overview	25
5. Green Finance Framework	27
6. Financial overview	30
7. Appendix	34
8. Risk factors	37



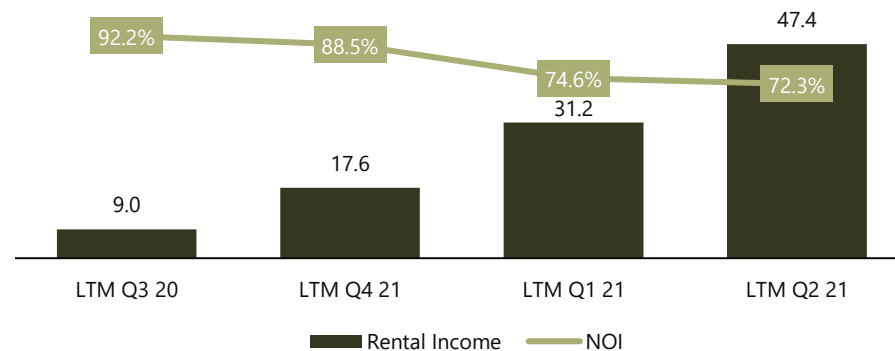
odd molly

Financial overview

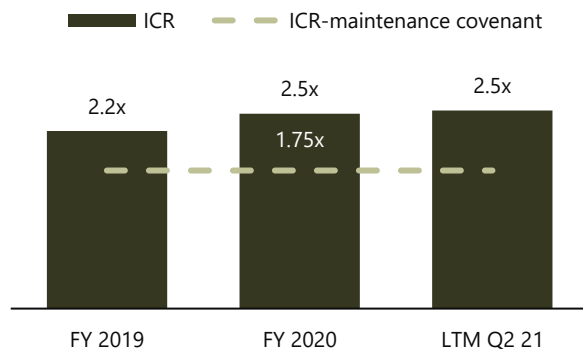
Comments

- Since the acquisition of the first property in 2019, rental income has increased steadily over the quarters and reached SEK 47.4m as of LTM Q2 2021
- Solid interest coverage ratio of 2.5x as of LTM Q2 2021, giving Odd Molly headroom to its maintenance covenant of an ICR of at least 1.75x
- As of H1 2021, the Company had a net LTV of 51.4%, depicting headroom towards the maintenance covenant of a maximum net LTV of 70%
- The equity ratio was 42.8% as of H1 2021, well above the Company's incurrence covenant of an equity ratio of at least 25%

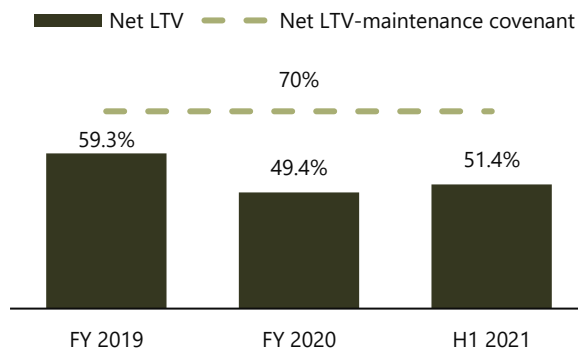
Rental income (SEKm) and NOI-margin (%)



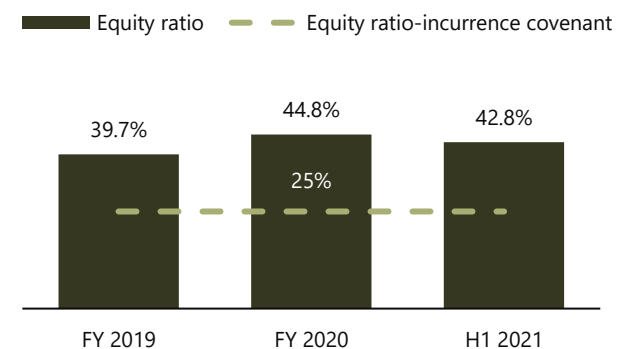
ICR (x)



Net loan-to-value (%)



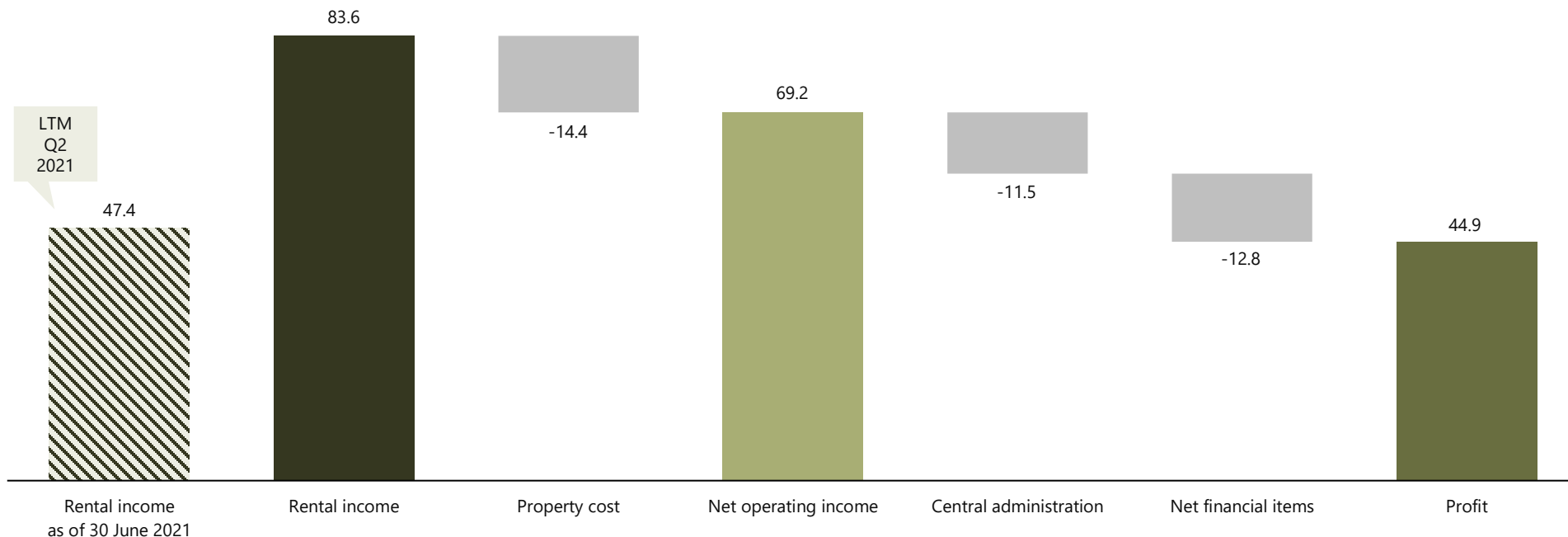
Equity ratio (%)



Source: Company information

Earnings capacity based on total property portfolio

Earnings capacity as of 30 June 2021, SEKm



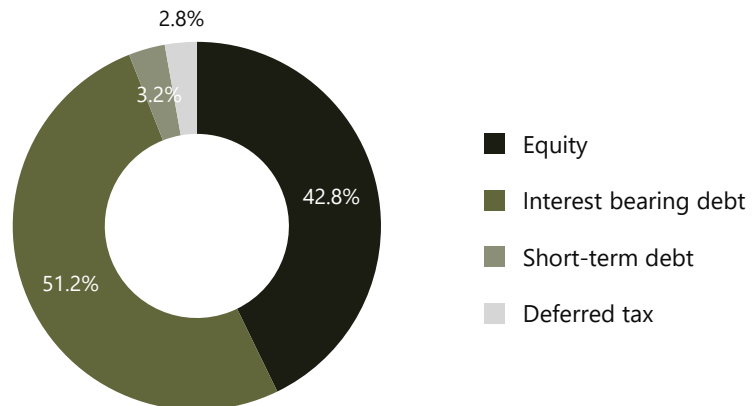
Comments

- The graph above shows the current earnings capacity¹⁾ for the Company, which is based on the total property portfolio per 30 June 2021. Rental income is calculated on an annual basis, including supplements and rental discounts, as well as other property-related income based on current rental agreements as of 30 June 2021

Source: Company information. Notes: 1) The current earnings capacity is not a forecast but should only be considered as one hypothetical snapshot and is presented solely to illustrate revenue and expenses on an annual basis given the property portfolio, financial costs, capital structure and organisation at a given time

Debt funding

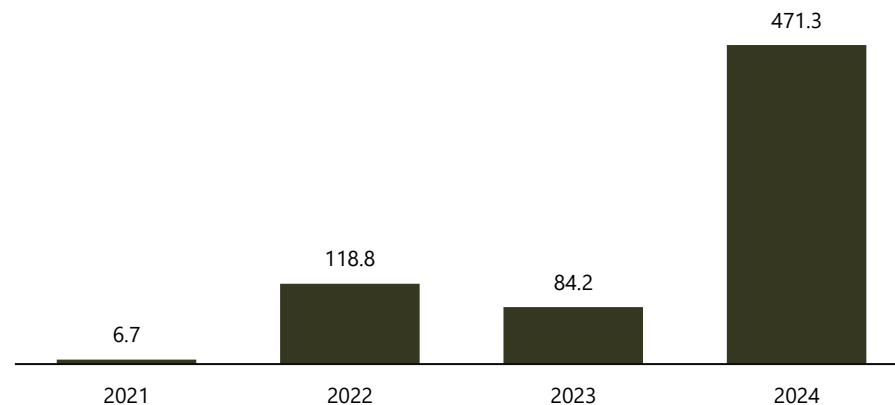
Capital structure as of 30 June 2021



Comments

- Odd Molly has a solid capital structure with an equity ratio of 42.8% as of H1 2021
- The Company has made several successful private placements during the last two years to further boost the balance sheet and use the equity for future acquisitions
- Interest bearing debt equals SEK 681.1m as of H1 and available cash and cash equivalents is SEK 23.2m

Debt maturity profile as of 30 June 2021, SEKm



Comments

- Average loan maturity of interest-bearing debt to credit institutions of approximately 2.7 years
- The Company uses leading Nordic banks for debt sourcing
- Average interest rate of approximately 1.87%¹⁾ on financing from credit institutions

Source: Company information. Notes: 1) Excluding vendor notes

Table of contents

1. Transaction summary	5
2. Introduction to Odd Molly	10
3. Property portfolio	18
4. Market overview	25
5. Green Finance Framework	27
6. Financial overview	30
7. Appendix	34
8. Risk factors	37



odd molly

Income statement

Consolidated income statement, SEKm¹⁾

SEKm	2021 Jan-Jun	2020/2021 Jul-Jun	2020 Jan-Dec	2019 Oct-Dec
Rental income	35.0	47.4	17.6	0.4
Other income	0.0	0.0	0.0	0.0
Operating expenses	-13.8	-16.2	-2.9	0.0
Net operating income	21.2	31.2	14.7	0.4
Change in value of properties	104.8	169.4	64.6	0.0
Depreciations	0.0	0.0	0.0	0.0
Financial income	0.1	0.1	0.0	0.0
Financial expenses	-8.2	-12.5	-6.0	-0.2
Profit before tax for the period	117.9	188.3	73.3	0.2
Tax	-25.2	-40.0	-14.9	-0.1
Profit for the period	92.7	148.2	58.4	0.1

Source: Company information. Notes: 1) Excluding fashion segment and has been reviewed by independent auditors

Balance sheet

Consolidated balance sheet, SEKm¹⁾

SEKm	2021 Jan-Jun	2020 Jan-Dec	2019 Oct-Dec
Assets			
Investment properties	1,279.3	886.6	189.0
Other tangible assets	4.6	0.2	-
Current assets	20.5	12.0	0.7
Financial assets	2.2	-	-
Cash and cash equivalents	23.2	15.5	1.3
Total assets	1,329.8	914.4	191.0
Equity and liabilities			
Total equity	569.5	409.7	75.7
Interest bearing debt	681.0	453.4	113.4
Other short-term debt	42.6	39.6	1.7
Deferred tax	36.7	11.8	0.1
Total equity and liabilities	1,329.8	914.4	191.0

Source: Company information. Notes: 1) Excluding fashion segment and has been reviewed by independent auditors

Table of contents

1. Transaction summary	5
2. Introduction to Odd Molly	10
3. Property portfolio	18
4. Market overview	25
5. Green Finance Framework	27
6. Financial overview	30
7. Appendix	34
8. Risk factors	37



odd molly

Risk factors

RISKS RELATING TO THE GROUP

RISKS RELATED TO OM'S INDUSTRY AND MARKET

The Group's operating results and profitability are subject to risks relating to the general economic conditions and demographic trends in the Group's markets

The Group is exposed to macroeconomic factors such as global and regional economic developments, employment rates, new property production rates, changes in infrastructure, inflation and interest rates in Sweden. These factors have a significant impact on supply and demand in the property market and consequently affect the occupancy rate, rental levels and market value of the Group's properties. If economic conditions deteriorate, the value of and rental income from the Group's property portfolio may decrease.

Economic developments and trends, including the spread of Covid-19, may affect the supply and demand in the rental market and the valuation of the Group's property portfolio, which could potentially have an adverse effect on the Group's operating results and profitability. OM assesses the likelihood of deteriorating macroeconomic conditions as medium, with a potentially medium negative impact on the Group's rental income, financing costs and portfolio valuation.

Competitive market and risk that OM may fail to compete effectively

The Group operates in the property sector, which is characterised by significant competition, including from other property companies focusing on logistics and industrial properties such as Sagax, Castellum, Catena, Corem, etc. The Group's competitiveness depends *inter alia* on its ability to acquire relevant properties in attractive locations, to attract and retain tenants and to adapt quickly to current and future market needs. In addition, the Group competes for tenants based on, among other things, property location, rent level, size, availability and quality, customer satisfaction and the Group's reputation.

Competitors may have greater financial resources than the Group and better capacity to withstand market downturns, better access to potential acquisition targets, compete more effectively, be more adept at retaining skilled personnel and respond more quickly to changes in local markets. In addition, competitors may have a higher tolerance for lower return requirements and access to more efficient technology platforms. Furthermore, the Group may have higher investment costs to maintain the competitiveness of its property portfolio relative to its competitors. OM assesses the likelihood of being prevented from competing effectively as low with a potentially medium negative impact on OM's future prospects if the risk is realised.

Risks related to changes in the value of the Group's property holdings

The Group owns 22 logistics properties as of 30 June 2021. The property portfolio is accounted for in the balance sheet at fair value and changes are accounted for in the income statement. Thus, OM's financial position and results are exposed to changes in the value of the properties. The Group's book value of properties as shown on OM's balance sheet as of 30 June 2021 amounts to SEK 1,279,300,000, which represents approximately 90 per cent. of the Group's total assets at that date. For example, a change in the book value of the Group's portfolio of +/- 5 per cent. would have an impact on profit before tax of +/- SEK 64,000,000 and after tax +/- SEK 50,800,000.

In a functioning credit and transaction market, value is influenced by supply and demand. The value of properties is therefore influenced by a number of market factors such as yield requirements and discount rates derived from similar transactions in the property market. Property values are also influenced by property-specific factors such as vacancy rates, rental levels and operating costs.

OM considers the probability of a significant decline in the value of the property portfolio to be low, but a significant decline in the value of OM's property portfolio would have a potentially high negative impact on its financial position.

RISKS RELATED TO OM'S OPERATIONS

Risks related to the Covid-19 pandemic

Economic developments over the past year have been largely influenced by the spread of Covid-19. For OM, the pandemic has primarily affected OM's tenants, and therefore indirectly OM, as a result of macroeconomic developments in the markets in which the Group operates. The Covid-19 outbreak has had, and is likely to continue to have for the foreseeable future, an impact on the capital markets, which may result in unforeseen and significant fluctuations in stock prices and the availability and cost of debt financing through the bond markets. The trading price of the Bonds, once issued, may hence be adversely affected by the economic uncertainty caused by Covid-19. OM considers the probability of risks related to Covid-19 to be low, with a potentially low negative impact on cash flow and operating profit.

Risk factors (cont'd)

OM is dependent on rental income and rental development

Rental income for logistics properties is driven in the long term by, among other things, supply and demand. OM's rental income is affected by the occupancy rate of the properties, agreed rent levels and the ability of tenants to pay. If occupancy rates or rental levels fall, for whatever reason, the Group's results are adversely affected. The risk of large fluctuations in vacancies and loss of rental income increases, the greater the concentration on individual large tenants is. The Group's ten largest tenants (GDL Logistik AB, Health and Sports nutrition Group AB, Scorett, Beijer Byggmaterial, etc.) accounted for approximately 57 per cent. of the Group's total contract value as of 30 June 2021, with the largest tenant accounting for approximately 13 per cent. of the total contract value. The total number of lease agreements entered into with the ten largest tenants amounted to 12 as of 30 June 2021, with various length in term. At the same date, the three largest tenants together accounted for 27 per cent. of contracted rent, spread over five leases and with an average remaining lease term of 9.7 years. The average remaining lease term for all of the Group's leases as of 30 June 2021 was 5.9 years. There is a risk that the Group's major tenants may not renew or extend their leases when they expire and that the Group may not find new tenants, which could lead to a reduction in rental income and an increase in vacancies in the long term. The Group's results and cash flows will be adversely affected if tenants suspend payments or otherwise default on its obligations. OM assesses the probability of loss of rental income as low, with a potentially high negative impact on cash flow, liquidity, operating profit and balance sheet.

OM is subject to rent-related risks

The Group owns and manages several logistics properties which generate rental income from external tenants. The lease agreements are concluded for a fixed period of time and regulate conditions relating to the level of rent, compensation for heating, property tax, etc. The average revenue-weighted remaining lease term for the properties was 5.9 years as per 30 June 2021. In the event that one or more tenants become insolvent and are therefore unable to pay the agreed rent and compensation on time, or if tenants suspend payments to the Group for other reasons, the Group may terminate the lease agreement. In such a situation, there is a risk that the Group will not be able to obtain payment in accordance with the lease agreements and that lettable areal cannot be leased on terms equally favourable to the Group, which may result in a reduction in the Group's profits and/or a reduction in the value of the properties. OM considers the probability of rental-related risks arising to be low, but if the risk is realised, it could have a potentially medium negative impact on OM's financial position and liquidity.

OM's operations exposed to project risks

The Group's activities include property development projects. As per the date of this Presentation, the Group has two property development projects in progress with a total investment volume amounting to at least SEK 190,000,000. Property development is associated with certain risks. Larger projects involve significant investments and may entail increased credit risk if contracted tenants are unable to meet their obligations towards the Group and the Group is unable to lease the relevant premises to other tenants, or if demand for, or the price of, leasing the premises decreases during the project period. When planning and budgeting for a construction project, it is important that the calculation basis is complete and accurate. Assumptions are made in relation to costs and revenues, as well as the ability of suppliers to perform as contracted. Projects may be delayed due to, *inter alia*, decisions from public authorities or bad weather conditions, and the Group may also incur higher costs than budgeted for and, following completion of a project, there are risks that the premises do not meet the requirements or expectations of the tenant, which may result in increased costs and reduced profits for the Group. OM considers the probability of project costs being delayed to be medium, with a potentially medium negative impact on OM's operating results.

OM's operations are exposed to risks related to transactions

Acquiring and disposing of properties is part of the Group's business and, particularly in the case of acquisitions, is associated with risks. Between 1 January 2021 and 30 June 2021, the Group acquired properties with an aggregate property value of SEK 276,500,000. All property acquisitions are subject to uncertainties, such as the risk of loss of tenants, unforeseen costs for environmental remediation, redevelopment and management of technical issues. Such uncertainties may result in delays or increased or unanticipated transaction costs or the value of the acquired property being lower than expected. There is a risk that future acquisitions of businesses or properties may not have the positive impact that was expected or that the Group cannot find appropriate properties to acquire to the right price, which could have a negative impact on the value of the Group's properties, costs and business development. In addition, there is a risk that the seller may not be able to meet its obligations in the event of an acquisition, for example due to financial difficulties, which may affect the Group's ability to obtain compensation in the event of a breach of contractual guarantees or indemnity undertakings (which may also be limited in amount and time).

In the case of the sale of properties, there are uncertainties regarding, among other things, the price and the actual possibility of disposing of the properties, including the willingness and ability of potential buyers to pay for the properties. Furthermore, claims may be made against OM in relation to the sale or the condition of the property sold. If OM is unable to dispose of the properties at an advantageous price or if claims are made against OM, this could result in delays and increased and unforeseen costs for the properties and the transactions. OM considers the probability of increased costs and the existence of the other risks described above to be low, with a potentially medium negative impact on OM's operating results if the risks are realised.

OM is dependent on its personnel

OM is developing its property business and, in addition to a board of directors with extensive experience within the property sector, there are, as of the date of this Presentation, seven employees and two senior consultants associated with OM. The knowledge, experience and commitment of individual employees is therefore important for the future development of the Group and the possibility to implement the Group's business strategy. The Group would be adversely affected if a number of its employees were to leave the Group at the same time, or if a number of key employees were to leave, in terms of a period of knowledge loss or increased costs in terms of recruitment costs. In order to attract, motivate and retain certain key personnel, OM may need to evaluate the compensation of these individuals, which may result in increased costs. OM assesses the probability of OM being unable to attract and retain key personnel as medium, with a potentially medium negative impact on OM's future prospects.

Risk factors (cont'd)

OM's operations are subject to technical risks and management risks

Property investments and property management contain a technical risk related to the operations and technical management of the property, including, but not limited to, construction issues or defects, hidden defects and deficiencies, damage (including through fire or other natural disasters) and contamination. These types of technical problems could result in significant unforeseen costs relating to the portfolio. If any of the Group's properties encounter any such unforeseen costs in the future, and the Group is unable to pass such increased costs on to its tenants, this could substantially increase the costs relating to such property, which could adversely affect the Group's business, financial condition and equity returns. In addition, regulatory requirements on properties and property management may mean that such defects have to be remedied, which involves costs. There is a risk that technical defects in one or more properties will result in increased costs for the Group. OM considers the probability of technical failures occurring on properties to be high, with a potentially low negative impact on OM's operating results and balance sheet.

OM is subject to risks related to due diligence processes not disclosing all relevant facts

OM has recently acquired a number of properties. Prior to potential investments or business acquisitions, OM conducts due diligence processes, and is in these processes relying on available sources, which often include information provided by the investment company and, in some cases, investigations and due diligence reports from third parties. Information provided or obtained from third-party sources may be limited and, in some cases, inaccurate or misleading. Accordingly, due diligence processes conducted with respect to a particular investment opportunity may not highlight all relevant facts, opportunities or risks, including any ongoing fraud, that may be necessary or helpful in evaluating the investment opportunity. As a result, there is a risk that the outcome of the investments may not meet the financial expectations that motivated the investments, which could adversely affect the Group's business and results of operations. OM considers the probability of the risk occurring to be low. If the risk materializes, OM believes that it could have a potentially high negative impact on its business and financial position.

Risks related to insurance

The main types of insurance held by the Group include property/combined business insurance including full value insurance for the Group's properties and liability insurance, liability insurance for the chief executive officer and board of directors and travel insurance. The Group's insurance coverage may be insufficient to compensate for damages related to the Group's properties or other assets. In particular, certain types of risks may be, or may become, impossible or too costly for the Group to insure. Should damage to the Group's properties occur and subsequently result in tenants terminating or not renewing their leases, there is a risk that the Group's insurance policies will not cover such loss of rental income. Certain types of losses are generally difficult or impossible to insure against. This may include, for example, unforeseen damage caused by war or terrorism, and professional or personal liability where there has been negligence, wilful misconduct or criminal acts. In the event of uninsured damage, or if damage exceeds the insurance cover provided under the relevant insurance policy, OM risks losing the capital invested in the property as well as future income from the property, and the value of the relevant property may decrease. OM may also be liable for repairing damage caused by uninsured risks. Further, OM could be held liable for debts and other financial obligations associated with damaged properties. OM considers the probability of the risk occurring to be medium. If the risk materializes, OM believes that it could have a potentially high negative impact on its business and financial position.

FINANCIAL RISKS

Risks related to financial indebtedness, guarantees and covenants

The Group's activities are financed over time mainly by equity and by borrowings from credit institutions and banks. As of 30 June 2021, the Group's long-term and short-term debt amounted to approximately SEK 723,600,000. In addition, as of 30 June 2021, the outstanding amount in liabilities towards sellers or properties or property companies acquired by the Group was SEK 96,300,000. The borrowings from credit institutions are secured by pledges over, *inter alia*, the Group's properties and shares in subsidiaries. OM has also issued guarantees for certain loans. The Group's credit agreements generally contain financial covenants, such as loan-to-value and interest coverage ratios. Some of the Group's credit agreements contain change of control provisions. A breach of financial covenants by the Group or a change in control of OM could result in the loans being subject to a mandatory prepayment event, giving the right for the creditors to demand for immediately repayment, and if not repaid, a right to enforce transaction security. The cancellation and demand for immediate repayment of loans may result in other loans of the Group, containing cross default or cross acceleration provisions, also becoming subject to cancellation and immediate repayment. If such events materialise, there is a risk that the Group may not be able to obtain the necessary financing, or that such financing may only be obtained on substantially less favourable terms and at higher cost, which would have an adverse effect on the Group's ability to meet its payment obligations and consequently impair the Group's ability to continue as a going concern. OM considers the probability of the risk materialising to be low, with a potentially high negative impact on OM's liquidity and balance sheet.

Refinancing risk

There is a risk that necessary funding cannot be obtained on unfavourable terms or at a significantly increased cost for existing or new borrowings. As of 30 June 2021, the Group's average term for financial indebtedness was 2.7 years. The Group's ability to successfully refinance its outstanding debt obligations at maturity depends on the capital market condition and OM's financial position at the time. If OM's loan-to-value ratio increases or creditors for other reasons consider that OM's creditworthiness deteriorates, this could adversely affect the Group's access to funds at all, or on attractive terms, which would result in a higher cost of funding for OM and ultimately also affect the Group's ability to acquire properties and implement its business strategy. In addition, developments in the credit market, such as a deterioration in the overall financial markets or a deterioration in general economic conditions, may affect the Group's access to financing. OM's interest expense amounted to approximately SEK 8,400,000 for the period from 1 January 2021 to 30 June 2021. In the event that OM's average interest rate would increase by one (1) per cent., this would, based on the Group's unaudited interim financial statements as of 30 June 2021, increase OM's average borrowing rate by 36 per cent., representing SEK 5,800,000 in annual interest expense. OM assesses the probability of the risk materialising as low, with a potentially medium negative impact on OM's liquidity, financial position and results.

Risk factors (cont'd)

Fluctuations in interest rates may reduce the value of the Group's properties and increase the cost of financing, thereby adversely affecting the Group's operations

The Group's operations are financed by equity and by borrowings from credit institutions and banks. Interest costs for its financing are one of the Group's largest expense items. As of 30 June 2021, the Group's long-term interest-bearing liabilities amounted to approximately SEK 648,500,000 and the Group's short-term interest-bearing liabilities amounted to approximately SEK 32,600,000. During the financial period ended 30 June 2021, approximately SEK 8,400,000 in interest was paid. Adverse changes in interest rates may have an impact on the Group's results and cash flows. Furthermore, the historically low interest rate environment in Sweden and the remainder of the EU has had a significant impact on the property market, leading to low yield requirements and high property valuations. It is possible and likely that these interest rates will increase in the future. An increase in interest rates may therefore have an adverse effect on the value of the Group's property portfolio and the Group may have to write down the value of its property, having an effect both on the Group's income statement and balance sheet. Furthermore, such market value adjustments may result in an increase in the Group's leverage ratio, which may lead to the Group being non-compliant with its financing agreements. OM considers the probability of unforeseen interest rate fluctuations to be low, with a potentially high negative impact on OM's balance sheet, liquidity and operating profit.

LEGAL RISKS

The Group's tax position may deteriorate as a result of tax risks and changes in tax legislation

There have been, and is proposed to be, changes in tax legislation in the areas of interest deduction limitations and so-called "bundling" in acquisitions. There is a risk of further legislative changes which, if adopted, is likely to affect taxation of property investments and relates to changes to current income tax, stamp duty and capital tax. If the legislative proposal were to be implemented in its current form, this could result in tax being payable on all future disposals by property-owning companies, which could have a material impact on the Group's results of operations.

For the financial year 2020, the Group's tax expense amounted to approximately SEK 16,100,000. The handling of tax issues within the Group is based on interpretations of current and relevant tax legislation, tax treaties, tax practice and other tax regulations, as well as positions taken by the Swedish Tax Agency. In addition, the Group regularly obtains advice from independent tax experts on these matters. The Group and its subsidiaries are from time to time subject to tax audits and reviews. There is a risk that tax audits or reviews may result in additional taxes, tax penalties, fees and interest being imposed on the Group. The Group has in 2021 implemented procedures for invoicing costs for intra-group services related to property activities. Therefore, it cannot be excluded that there is a risk that the Group will incur additional taxes, interest and fees related to the historical treatment in this respect.

If the Group's interpretation of tax legislation, tax treaties, practices or other tax regulations or their applicability is incorrect or if the applicable tax legislation, tax treaties, practices and other tax regulations or interpretations thereof or the administrative practices in relation thereto change, including retrospectively, this may result in an increased tax expense for the Group including tax surcharges and interest. OM considers the probability of the risk materialising to be low, with a potentially high negative impact on OM's balance sheet, operating results and future prospects.

Parent company risk

OM is the parent company of the Group whose operations are mainly conducted through subsidiaries. OM's ability to make interest payments on the Group's financing agreements is affected by the ability of the subsidiaries to pay dividends and transfer funds to OM. OM is therefore dependent on its subsidiaries to meet its obligations to receive payments under financing agreements. Transfers of funds to OM from the subsidiary may be restricted or prohibited entirely as a result of legal and contractual restrictions on the respective subsidiaries. Furthermore, the subsidiaries are separate legal entities with no responsibility to discharge OM's obligations to its creditors. If the subsidiaries do not pay dividends, or are prevented from providing liquidity to OM due to other circumstances or conditions, laws or regulations, there is a risk that OM will be unable to meet its payment obligations to the bondholders or other creditors, which could result in the Group's financial indebtedness being subject to immediate repayment and, subsequently, a right for creditors to enforce transaction security. OM considers the probability of the risk materialising to be low, with a potentially high negative impact on OM's balance sheet, operating results and future prospects.

The Group's compliance with the EU General Data Protection Regulation (GDPR)

The Group processes a large amount of personal data, which mainly consists of data on representatives of current tenants and employees, in both electronic and physical form. The Group also processes personal data of job applicants and investors. The personal data are processed mainly for the purpose of concluding and enforcing employment contracts and rental agreements. The General Data Protection Regulation 2016/679/EU of the European Parliament and of the Council ("GDPR") entered into force on 24 May 2016 and has been applied since 25 May 2018. If there is a breach of the Group's systems processing this data, if the Group has any shortcomings in its processing of personal data or if the Group fails to comply with the GDPR, the Group may be subject to substantial fines, which may have a negative impact on the Group's business and financial position. The Privacy Authority may decide to impose an administrative fine on a company that violates the rules of the GDPR. The maximum amount of the fine may be EUR 20,000,000 or four per cent. of OM's global annual turnover, whichever is higher. For slightly less serious violations, the maximum amount is EUR 10,000,000 or two per cent. of annual global turnover. OM considers the probability of the risk occurring to be low, with a potentially high negative impact on OM's operating results.

Risk factors (cont'd)

Risks related to regulatory compliance

The Group's operations are governed by and conducted in accordance with a number of laws and regulations, including the Companies Act (Sw. *aktiebolagslagen (2005:551)*), the Land Code (Sw. *lag om förvärv i vissa fall av fastighet (1970:966)*), the Environmental Code (Sw. *miljöbalken (1998:808)*) and the Planning and Building Act (Sw. *plan och bygglagen (2010:900)*), as well as zoning plans, building codes and safety regulations, etc. There is a risk that the Group's interpretation of applicable laws and regulations may be incorrect, due to, e.g. that certain regulatory frameworks, such as IFRS, are open to different interpretations, or that laws and regulations may change. In addition, the Group is also exposed to risks relating to employees and contractors compliance with laws and regulations applicable to health and safety, corruption and human rights. Such non-compliance could have an adverse effect on the Group's financial position and results of operations as well as loss of reputation.

There is a risk that the Group does not obtain the necessary permits or other decisions regarding individual projects or that such permits or decisions are appealed to the courts. The Group's activities are also affected by the applicable tax rules from time to time. These rules have historically been subject to change and further changes can be expected in the future (possibly with retroactive effect). Such changes may have a material adverse effect on the Group's financial position and results of operations.

In the event that the above risks materialize, it may result in increased costs and delays in planned property development or otherwise adversely affect the Group's business and performance. OM assesses the probability of the risk materialising as low, with a potentially medium negative impact on OM's operating results.

Environmental risks

Property management and development involves environmental impacts and responsibilities. According to the Environmental Code (Sw. *miljöbalken (1998:808)*), Sweden applies the "polluter pay" principle, meaning that the person who has carried out activities that have contributed to pollution is responsible for the remediation of the property. However, if the operator is unable to carry out or pay for the remediation of a contaminated property, the person who acquired the property and who knew or should have known of the contamination at the time of acquisition is liable. This means that, in certain circumstances, remediation claims may be brought against the Group for the clean-up or remediation of, or suspicion of, contamination of soil, water or groundwater. If any of the Group's properties are found to be contaminated, it may limit the Group's intended use of the property, result in significant remediation costs and/or adversely affect the value of such property. In addition, tenants whose property has become contaminated may, in certain cases, require compensation from OM in the form of rent reductions, damages or claims for replacement premises, which would result in lower revenues and higher costs for OM. Furthermore, on 1 August 2020, the new Waste Ordinance (Sw. *avfallsförordningen (2020:614)*) entered into force. If OM were to fail to successfully comply with existing or new environmental regulations, it could adversely affect OM in the form of fines and a bad reputation, and be time consuming and increase costs. OM assesses the probability of the risk occurring as medium, with a potentially low negative impact on OM's operating results.

OM's largest shareholders may exercise significant influence over OM

Ilija Batljan (directly or through companies), M2 Capital Management AB, Phoenix Insurance Ltd and Stefan Hansson (directly or through companies) owned as of 30 June 2021, directly or indirectly, shares in OM representing approximately 51.5 per cent. of the capital and votes of OM. These shareholdings give the aforementioned owners significant influence over OM and may influence, among other things, such matters that are subject to voting at general meetings, such as the election of the board of directors and amendments to the Articles of Association. The said owners also have the ability to prevent or impede any bid for the acquisition of OM by way of a public takeover bid. The interests of such shareholders may differ from or conflict with the interests of OM or the bondholders. OM considers the probability of the risk occurring to be low, with a potentially low negative impact on OM's business and market position.

RISKS RELATING TO THE BONDS

RISKS RELATED TO THE NATURE OF THE BONDS

Risks related to early redemption of the Bonds

Under the Terms and Conditions, the Company will reserve the possibility to redeem all outstanding Bonds before the final maturity date. If the Bonds are redeemed before the final maturity date, the bondholders will have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions for the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount (including the premium) 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.

OM considers the probability that the risks relating to early redemption and partial repayment of the Bonds would materialise to be medium and if such risks would materialise, OM considers the potential adverse impact to be medium.

Risk factors (cont'd)

The bondholders are exposed to credit risks and OM's ability to service debt

Investors in the Bonds assume a credit risk towards the Company and indirectly the Group. The payments to bondholders under the Terms and Conditions are therefore dependent on the Company'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, and will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. There is a risk that, if the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. Furthermore, there is a risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all. In case of a deteriorating financial position of the Group, this will reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds. The credit risk and 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.

OM considers the probability that the risks relating to credit risks to the Bonds would materialise to be low and if such risks would materialise, OM considers the potential adverse impact to be high.

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 rate. The market interest may be subject to significant fluctuations. Investments in Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates or interest rate expectations. The Bonds will bear interest at a floating rate of 3 month STIBOR plus a margin, with an interest rate floor at 0.00 per cent., and the interest rate of the Bonds is determined two business days prior to the first day of each respective interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is therefore outside the Group's control.

OM considers the probability that the risks relating to interest rate in relation to the Bonds would materialise to be medium and if such risks would materialise, OM considers the potential adverse impact to be medium.

Benchmark Regulation

Interest payable on the Bonds will be calculated by reference to STIBOR with an interest rate floor at 0.00 per cent. The process for determining STIBOR and other interest-rate benchmarks is subject to an on-going reform process that has already resulted in a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect to date is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The Benchmark Regulation sets requirements for how certain benchmarks are determined and may thereby have an impact on how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks (including so called 'critical benchmarks' such as STIBOR), or that some benchmarks cease to be provided. If this would happen in respect of STIBOR, being the benchmark that is used for the Bonds, it could potentially have negative effects for the bondholders. Pursuant to the Terms and Conditions, STIBOR may be replaced, from time to time, (i) upon the occurrence of a Base Rate Event or (ii) if a Base Rate Event Announcement has been made and the announced Base Rate Event will occur within six months. There is, however, a risk that a replacement of STIBOR may lead to that bondholders receive less interest than expected under the relevant Bonds, or that no Successor Base Rate or (if there is no Successor Base Rate) Alternative Base Rate can be determined at the relevant time, which could have adverse effects for the bondholders.

OM considers the probability that the risks relating to the Benchmark Regulation would materialise to be low and if such risks would materialise, OM considers the potential adverse impact to be low.

Put option

Pursuant to the Terms and Conditions, the Bonds will be subject to prepayment at the option of each bondholder (put option) if:

- (i) an event or series of events occur whereby one or more persons acting together, acquire control over the Company and where control means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Company, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Company;
- (ii) an event occurs whereby (a) the Company's shares are delisted from a regulated market, or (b) trading in the ordinary shares of the Company's shares on the relevant regulated market is suspended for a period of 15 consecutive business days (when that regulated market is at the same time open for trading); or

Risk factors (cont'd)

- (i) an event occurs whereby (a) the Initial Bonds have not been admitted to trading on the sustainable bond list of Nasdaq Stockholm (or, if such admission is not possible, the corporate bond list of Nasdaq Stockholm) within 60 calendar days after the First Issue Date and with an intention to complete such listing within 30 days after the First Issue Date, (b) any Subsequent Bonds issued later than 60 calendar days after the first issue date have not been admitted to trading on the sustainable bond list of Nasdaq Stockholm within 60 calendar days after the issuance of such Subsequent Bonds with an intention to complete such listing within 30 days after the relevant issued date (unless the Subsequent Bonds are issued before the date when the Initial Bonds are listed in which case such Subsequent Bonds shall be listed together with the Initial Bonds), or (c) in the case of a successful admission to listing, that the Bonds cease to be admitted to trading on the sustainable bond list of Nasdaq Stockholm, the corporate bond list of Nasdaq Stockholm or another regulated market (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).

There is, however, a risk that the Company will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which would adversely affect the Company, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the put option.

OM considers the probability that the risks relating to put option would materialise to be low and if such risks would materialise, OM considers the potential adverse impact to be high.

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

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

OM considers the probability that the risks relating to the clearing and settlement in Euroclear Sweden AB's book-entry system would materialise to be low and if such risks would materialise, OM considers the potential adverse impact to be low.

Risks relating to the Bonds being unsecured and security over assets granted by third parties

The Bonds represents an unsecured obligation of the Company. If the Company is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, all of the Company's secured obligations must first be satisfied, potentially leaving little or no remaining assets in the Company for the bondholders. As a result, the bondholders may not recover any or full value.

Subject to certain limitations from time to time, the Company has and may incur additional financial indebtedness and provide additional security and guarantees for such indebtedness. The Group has granted security and guarantees under its debt facilities including security over, inter alia, property mortgage certificates, shares and intra-group loans. As security has been granted in favour of a third-party debt provider, and may be provided to additional debt providers, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Company, be subordinated in right of payment out of the assets being subject to security provided to such third-party debt providers. 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 financial position, and the rights of the bondholders to receive payments under the Bonds.

OM considers the probability that the risks relating to the Bonds being unsecured and security over assets granted to third parties would materialise to be low and if such risks would materialise, OM considers the potential adverse impact to be high.

Risks relating to Green Bonds

The Bonds are defined as green Bonds according to the Company's green finance framework (the "**Green Finance Framework**") as it is worded on the issue date of the relevant Bonds. The Green Finance Framework, as well as market practice for green bonds, may be amended and develop after the First Issue Date, thus affecting any of the requirements applicable to the Company in respect of any Subsequent Bonds. Amendments to the Green Finance Framework after the First Issue Date will not affect the conditions applicable to the Bonds issued at the First Issue Date. The Company's failure to comply with the Green Bond Framework does not constitute an event of default under the Terms and Conditions, and would not permit bondholders to exercise any early redemption rights or receive any other type of compensation for non-compliance with the Green Finance Framework. Hence, there is a risk that expectations of investors, insofar such expectations are related to the compliance with the Green Finance Framework, are not met. A failure to apply the proceeds in accordance with the Green Finance Framework could result in investors being in breach of its own investment criteria or guidelines with which an investor is required to comply which could result in remedies under the relevant investment criteria or guidelines, leading to claims or reputational damage.

OM considers the probability that the risks relating to changes in the Green Finance Framework would materialise to be low and if such risks would materialise, OM considers the potential adverse impact to be low.

Risk factors (cont'd)

RISKS RELATED TO THE BONDHOLDERS' RIGHTS AND REPRESENTATION

The rights of the bondholders depend on the Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the

appointment of the agent (being on the first issue date Nordic Trustee & Agency AB (publ)) (the "**Agent**") to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the bondholders will be subject to the provisions of the Terms and Conditions, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will have a negative effect on the enforcement of the rights of the bondholders.

The Agent may be replaced by a successor agent in accordance with the Terms and Conditions. Generally, the successor agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor agent with commercially acceptable terms or at all. Further, there is a risk that that the successor agent would breach its obligations under the above documents or that insolvency proceedings would be initiated against it.

There is a risk that materialisation of any of the above risks will have a negative effect on the enforcement of the rights of the bondholders and the rights of the bondholders to receive payments under the Bonds.

OM considers the probability that the risks relating to the rights of the bondholders depending on the Agent's actions and financial standing would materialise to be low and if such risks would materialise, OM considers the potential adverse impact to be low.

No action against the Company and bondholders' representation

In accordance with the Terms and Conditions for the Bonds, the Agent represents all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking unilateral actions against the Company 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 Company 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 may take unilateral action against the Company or any other Group company (in breach of the Terms and Conditions). This would adversely affect an acceleration of the Bonds or other actions against the Company or any other member of the Group.

To enable the Agent 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 have a negative effect on the legal proceedings. Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that are binding upon all bondholders. Consequently, the actions of the Agent in such matters would impact a bondholder's rights under the Terms and Conditions in a manner that could be undesirable for some bondholders.

OM considers the probability that the risks relating to no action against the Company and bondholders' representation would materialise to be low and if such risks would materialise, OM considers the potential adverse impact to be low.

Bondholders' meetings and written procedures

The Terms and Conditions include certain provisions regarding bondholders' meetings and written procedures. Such meetings or written procedures may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions allows for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting or written procedure and those who have voted differently from the required majority at a duly convened and conducted bondholders' meeting or written procedure. A bondholder may, for instance, be bound by a majority's decision to accept a change of interest rate or decision to accept a change of the final maturity date. 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.

OM considers the probability that the risks relating to bondholder's meeting would materialise to be low and if such risks would materialise, OM considers the potential adverse impact to be low.

Risk factors (cont'd)

RISKS RELATED TO THE FINANCIAL STANDING OF THE GROUP

Subsidiaries, structural subordination and insolvency of subsidiaries

All assets are owned by, and all revenues are generated in, the subsidiaries of the Company. The subsidiaries are legally distinct from the Company and have no obligation to make payments to the Company of any profits generated from their business. The ability of the subsidiaries to make payments to the Company is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers). If the Company is not able to receive funds by way of dividends or value transfer from one or more subsidiary, this could have a material adverse effect on the possibility of the bondholders to receive interest payments under the Bonds. Furthermore, if the Company's subsidiaries incur debt, the right to payment under the Bonds will be structurally subordinated to the right of payment relating to debt incurred by subsidiaries of the Company, which could have a negative impact on the bondholders' recovery under the Bonds.

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 Company may result in the obligation of the Company to make payments under guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

OM considers the probability that the risks relating to subsidiaries, structural subordination and insolvency of subsidiaries would materialise to be low and if such risks would materialise, OM considers the potential adverse impact to be high.