Supplement No. 1, SFSA diary number 18-3211, dated and registered 28 February 2018, to base prospectus SFSA diary number 17-15322, dated 27 October 2017.

STABELO FUND 1 AB (publ)

SUPPLEMENT TO BASE PROSPECTUS FOR CONTINUOUS ISSUANCE OF PARTICIPATING DEBENTURES

This supplement No. 1 (the "**Supplement**") is a supplement to, and shall be read together with, the Stabelo Fund 1 AB (the "**Issuer**") base prospectus dated 27 October 2017 (the "**Prospectus**") and constitutes a supplement pursuant to Article 16 in directive 2003/71/EC, as amended from time to time. Terms defined in the Prospectus shall have the same meaning when used in this Supplement. In case of conflicts between this Supplement and the Prospectus or documents incorporated by reference into the Prospectus, this Supplement shall prevail. This Supplement, being a part of the Prospectus, is a supplement to the Prospectus and shall be read together with the Prospectus and any other supplements to the Prospectus.

This Supplement has been drawn up to (i) reflect amendments made to the Terms and Conditions in light of the Comfort Agreement, (ii) update factual circumstances which have changed since the date of the Prospectus and (iii) correct typing errors in the Prospectus.

This Supplement was approved and registered by the SFSA on 28 February 2018 and has been issued pursuant to the provisions in Chapter 2 Section 34 of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).

SUPPLEMENTS TO THE PROSPECTUS

The Programme

On page 11, the last sentence of the second paragraph of the sub-section "*Subscription Undertaking*", is replaced with the following wording:

"Following a cancellation, the investor will, in addition to the foregoing and among other amounts, pay to the Issuer the lower of (i) twenty per cent. of the amounts committed but not yet utilised under the relevant Subscription Undertaking and (ii) SEK 10,000,000."

Key Transaction Documents

On page 20, under the sub-section "*The Mortgage Loan Sale Agreement*", the fifth paragraph is replaced with the following wording:

"The Issuer will make certain enquiries, including as to (i) loan to value, (ii) probability of default and (iii) compliance with the Credit Policy, in respect of the Mortgage Loans. Such enquiries will be based on review of individual loan data for each Mortgage Loan provided by the Originator, and the Issuer will

conduct data quality reviews in respect of such data. The Issuer will also engage an independent third party auditor to review the Mortgage Loans in certain respects."

On page 21, the following new wording is included:

"The Comfort Agreement

Pursuant to the Comfort Agreement, the Manager shall issue, and every nine months renew, a power of attorney entitling the Nominated Third Party (as defined in the Comfort Agreement) to upon the occurrence of an Acceleration Event which is continuing attend all meetings of the shareholders of the Issuer and to vote at such meetings for all shares in the Issuer owned by the Manager and to exercise on behalf of the Manager any other rights pertaining to the shares in the Issuer owned by the Manager. The Nominated Third Party (as defined in the Comfort Agreement) shall pursuant to the Comfort Agreement act in the best interests of the Debentureholders when exercising its rights under the power of attorney issued pursuant to the Comfort Agreement. A failure to issue or renew the power of attorney in accordance with the Comfort Agreement constitutes an Acceleration Event.

The Manager undertakes pursuant to the Comfort Agreement to, upon the occurrence of an Acceleration Event which is continuing, at the request of the Nominated Third Party (as defined in the Comfort Agreement) take any and all actions in order to summon a meeting of the shareholders of the Issuer. Such meeting shall be held within five Business Days from the request of the Nominated Third Party (as defined in the Comfort Agreement).

Should a new AIF manager be appointed to replace the Manager as manager of the Issuer, the Manager will pursuant to the Comfort Agreement be obliged to sell all the shares in the Issuer owned by the Manager at their nominal amount and within ten Business Days to the Nominated Third Party (as defined in the Comfort Agreement) or any person nominated by the Nominated Third Party.

Should the Manager fail to comply with any of its obligations under the Comfort Agreement as described above, the Manager shall pay a penalty fee of SEK 10,000,000 to the Nominated Third Party (as defined in the Comfort Agreement). The penalty fee shall, after the Nominated Third Party (as defined in the Comfort Agreement) has deducted compensation for any costs or expenses incurred by it under the Comfort Agreement, be distributed *pro rate* to the Debentureholders. Should the Manager fail to comply with any of its obligations under the Comfort Agreement, the sole sanction that can be imposed on the Manager will be the penalty fee described in this paragraph and there is no other way for the Debentureholders to compel the performance of the Manager's obligations under the Comfort Agreement."

Terms and Conditions for Stabelo Fund 1 AB (publ) Participating Debentures

On the cover page, the wording "dated 27 October 2017" is replaced with the following wording "Originally dated 27 October 2017 and as amended and restated on 28 February 2018".

On page 2, the definition of Change of Control Event is replaced with the following wording:

""**Change of Control Event**" means, in relation to the Issuer, an event or series of events resulting in the Parent, directly or indirectly, (i) ceasing to own more than fifty (50) per cent of the shares and votes in the Issuer, (ii) ceasing to control more than fifty (50) per cent of the votes in the Issuer, or (iii) ceasing to have the power to appoint and remove all, or the majority of, the members of the board of directors of the Issuer. However, it shall not constitute a Change of Control Event if the Custodian exercises its voting powers under the power of attorney issued under the Comfort Agreement or if a Manager that is being replaced sells all shares in the Issuer to the new Manager or another person appointed by the Custodian pursuant to the Comfort Agreement."

On page 2, the following new definition is included:

““**Comfort Agreement**” means the comfort agreement entered into between the Manager, the Custodian and the Issuer and dated on or about the date hereof, pursuant to which, among other things, (i) the Manager will issue a power of attorney entitling the Custodian, when an Acceleration Event is continuing, to vote for all shares in the Issuer owned by the Manager and (ii) the Manager when it is being replaced is required, at the request of the Custodian, to sell all its shares in the Issuer to the new Manager or another person nominated by the Custodian.”

On page 3 the wording “means” is included in the definition of Final Terms, after “Final Terms” and “the final terms”.

On page 4, the first paragraph of the definition of Management Fee is replaced with the following wording:

““**Management Fee**” means a monthly fee that the Manager is entitled to for the management of the Portfolio and the administration of the Issuer, calculated on the aggregate principal capital amount of all Mortgage Loans in the Portfolio, less any reserved amount (*gjorda reserveringar*) on such Mortgage Loans, allocated pro rate to each Debenture Series based on its aggregate Base Amount, with the percentage rate applicable to it.”

On page 7, the definition of Sourcing and Servicing Cost is replaced with the following wording:

““**Sourcing and Servicing Cost**” means a fee of no higher than 0.25 per cent per annum calculated on the aggregate principal capital amount of all Mortgage Loans in the Portfolio, less any reserved amount (*gjorda reserveringar*) on such Mortgage Loans, and payable by the Issuer to the Servicer for the services provided under the Servicing Agreement.”

On page 15, Clause 11.4 (*Board of Directors*) is replaced with the following wording:

“11.4 **The Board of Directors**

The Board of Directors shall supervise the Manager’s management of the operations of the Issuer and the Portfolio and the Manager’s performance of services under the Management Agreement. The Board of Directors shall consist of up to six (6) members with relevant and extensive competence, appointed by the Parent. A majority of the board members shall be persons independent from the Parent.”

On page 16, Clause 12.1 (a) is replaced with the following wording:

“(a) no later than three (3) months after the end of each financial year, or on such earlier date as they are finalised, its annual audited financial statements;”

On page 17, Clause 12.7 is replaced with the following wording:

“The latest versions of the Administrative Agreements, the Comfort Agreement, the Credit Policy, the Pricing Policy and the Valuation Policy shall be available to the Debentureholders at the office of the Issuer during normal business hours.”

On page 20, Clause 14.1 (c) is replaced with the following wording:

“(c) *Failure to Comply*: The Issuer or (where applicable) the Manager fails to comply with, or in any way acts in violation of, a material obligation under these Terms and Conditions, or the Manager fails to comply with its obligation to renew the power of attorney pursuant to the Comfort Agreement, provided that (i) a Debentureholder (or Debentureholders) representing at least fifty (50) per cent of the Total Base Amount (such request may only be validly made by a person who is a Debentureholder on the Business Day immediately following the day on which the request is received by the Issuer and shall, if made by several Debentureholders, be made by them jointly) have notified the Issuer in reasonable detail of the relevant failure and/or violation, and (ii) that the Issuer or the Manager, as the case may be, does not remedy such failure or violation within twenty (20) Business Days from the day of receipt of such

notification. If the failure or violation cannot be remedied, or if the Issuer or the Manager, as the case may be, fails to remedy the failure or violation as set out above, each Debentureholder may, following notification as aforesaid, declare its Debentures payable without such prior notice."

On page 22, Clause 15.7 (e) is replaced with the following wording:

"any amendment to, or replacement of, the valuation methodology in the Valuation Policy; and"

On page 28, the wording in the upper row in the right column is replaced with the following wording:

"The terms and conditions for participating debentures issued by Stabelo Fund 1 AB (publ), originally dated 27 October 2017 and as amended on 28 February 2018 [and [●]]."

We hereby certify that the above amendments to the Terms and Conditions are binding upon ourselves.

Place: Stockholm

Date: 28 February 2018

STABELO FUND 1 AB (publ)
as Issuer

Name: Hans Schedin
Chairman

Mats Nilsson
CEO

We hereby undertake to act in accordance with the above amendments to the Terms and Conditions to the extent they refer to us.

Place: Stockholm

Date: 28 February 2018

STABELO ASSET MANAGEMENT AB
as Manager

Name: Hans Schedin
Chairman

Mats Nilsson
CEO