

15 December 2023

To the bondholders in:

ISIN: SE0012827996 – Ellos Group AB (publ) SEK 1,500,000,000 Senior Secured Callable Floating Rate Bonds 2019/2024

NOTICE OF WRITTEN PROCEDURE – REQUEST FOR CONSENT AND TO AMEND THE TERMS AND CONDITIONS

This voting request for procedure in writing has been sent on 15 December 2023 to Bondholders directly registered as of 14 December 2023 in the debt register (*skuldbok*) kept by the CSD. If you are an authorised nominee under the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) or if you otherwise are holding Bonds on behalf of someone else on a Securities Account, please forward this notice to the Bondholder you represent as soon as possible. For further information, please see below under Section 4.3 (*Voting rights and authorisation*).

KEY INFORMATION

Record Date for being eligible to vote:	21 December 2023
Deadline for voting:	15:00 CET on 8 January 2024
Quorum requirement:	At least twenty (20.00) per cent. of the Adjusted Nominal Amount
Majority requirement:	At least two thirds ($\frac{2}{3}$) of the Adjusted Nominal Amount for which Bondholders reply in this Written Procedure
Base Fee:	As per clause 2.2 (<i>Base Fee</i>)
Early Consent Fee:	As per clause 2.3 (<i>Early Consent Fee</i>)
Warrants	As per clause 2.5 (<i>Issue of Warrants</i>)

Nordic Trustee & Agency AB (publ) acts as agent (the “**Agent**”) for the holders of the bonds (the “**Bondholders**”) in the above mentioned bond issue with an aggregate amount outstanding of SEK 1,500,000,000 (the “**Bonds**”) issued by Ellos Group AB (publ), a public limited liability company incorporated in Sweden with Reg. No. 559175-1325, (the “**Issuer**”). In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing (the “**Written Procedure**”) as required by the Terms and Conditions (as defined below), whereby Bondholders can vote for or against the Request (as defined below).

All capitalised terms used herein and not otherwise defined in this notice (the “**Notice**”) shall have the meanings assigned to them in the terms and conditions for the Bonds (the “**Terms and Conditions**”).

The Request (as defined below) is presented to the Bondholders by the Issuer, without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this notice or the Request (and their effects, should they be adopted) from a legal or commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this notice and the Request (and their effects, should they be adopted). The Bondholders are recommended to seek legal advice in order to independently evaluate whether the Request (and its effects) is acceptable or not.

PRIOR TO VOTING IN THIS WRITTEN PROCEDURE, EACH BONDHOLDER SHOULD CAREFULLY REVIEW AND ASSESS THE RISK FACTORS SET OUT IN SCHEDULE 5 (RISK FACTORS).

Bondholders participate in the Written Procedure by completing and sending the voting form, attached hereto as Schedule 1 (the “**Voting Form**”), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the “**Power of Attorney**”) or other sufficient evidence, if the Bonds are held in custody other than by the CSD, to the Agent. Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

The Agent must receive the Voting Form no later than 15.00 CET on 8 January 2024 either by mail, courier or email to the Agent using the contact details set out in Section 4.9 (*Address for sending replies*) below. Votes received thereafter may be disregarded. Nominees should send through Voting Forms on an ongoing basis.

Subject to the terms of this Notice, if Bondholders representing at least two thirds ($\frac{2}{3}$) of the Adjusted Nominal Amount participate in the Written Procedure and/or deliver voting undertakings to the Advisor (as defined below) resulting in the Request having been approved in the Written Procedure on or before 15.00 CET on 29 December 2023 (the “**Early Deadline**”), an Early Consent Fee (as defined below) will be payable to all Bondholders as per Clause 2.3 (*Early Consent Fee*). **For the avoidance of doubt, a Bondholder who has delivered a voting undertaking to the Advisor must also, in order to participate in Written Procedure, complete and send a Voting Form to the Agent.**

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Bondholder on 21 December 2023 (the “**Record Date**”). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (*direktregistrerad ägare*) or authorised nominee (*förvaltare*) with respect to one or several Bonds.

1. BACKGROUND

The Issuer is the parent company of the Ellos group (the “**Group**”), and the Bonds issued in 2019 in connection with the acquisition of the Group by the Issuer, at the time indirectly owned by the Belgian company FNG NV. Following the bankruptcy of FNG NV, Nordic Capital became the majority shareholder of the Issuer in June 2022. Nordic Capital has since then continued to support the Group’s development and the Group has, following the change in ownership, significantly increased its profitability through continued efficiency improvements.

Notwithstanding the increased profitability of the Group, and in light of current market conditions, the Issuer deems that it is not possible to complete a refinancing of the outstanding Bonds and revolving credit facility (the “**RCF**”) prior to the RCF falling due in January 2024. The Issuer and Nordic Capital have used substantial time and resources in exploring various refinancing options but has not yet reached an agreement acceptable to all stakeholders. The Issuer and Nordic Capital are in active dialogues with the existing RCF provider to extend the maturity. In order to successfully extend the RCF maturity, and thus ensure uninterrupted operational performance and access to financing, the Issuer deems an extension of the bond maturity through a Written Procedure as necessary. An unsuccessful extension of the Bonds may have a material adverse impact on the Issuer’s financial situation.

In case the Bondholders approve the amendments proposed in this Written Procedure, the Bondholders will receive a base fee equal to 0.50 per cent. of the Nominal Amount of each Bond and warrants granting the Bondholders right to 15 per cent. of the aggregate proceeds distributed on the preference shares and the ordinary shares of the Issuer other than shares issued to management and employees of the Group in connection with a shareholder exit, as further elaborated in clause 2.5 (*Issue of Warrants*). Further, in case the Bondholders approve the amendments proposed in this Written Procedure on or prior to 15.00 CET on 29 December 2023, the Bondholders will in addition receive an early consent fee equal to 0.50 per cent. of the Nominal Amount of each Bond.

Each Bondholder must make its own determination as to the risks relating to the Request and is recommended to consult relevant advisers. Each Bondholder should carefully review the risk factors set out in Schedule 5 (*Risk factors*). The Issuer does not represent that the risks relating to the Request, as described in Schedule 5, are exhaustive.

2. REQUEST FOR CONSENT AND AMENDMENT OF THE TERMS AND CONDITIONS

2.1 Request and Amendment

Based on the details set out above, the Issuer hereby requests that the Bondholders approve to amend the Terms and Conditions substantially in accordance with the draft amended and restated terms and conditions attached hereto as Schedule 3 (the “**Request**”). If the Request is approved in the Written Procedure, the Bondholders irrevocably authorise and assign to the Agent, or whoever the Agent appoint in its place, to, on the Bondholders’ behalf, do all such acts and things and to execute such other agreements or documents as may be necessary or desirable to give effect to the Request and take any and all measures and actions that are deemed necessary in order to implement the Request.

For ease of reference, the proposed amendments to the Terms and Conditions include, *inter alia*:

- (a) an extension of the original Final Redemption Date with 24 months so that the new extended Final Redemption Date shall be 25 July 2026;
- (b) an increase of the final redemption price at the extended Final Redemption Date to 106 per cent. of the Nominal Amount (together with accrued but unpaid Interest) to the benefit of the Bondholders;
- (c) an amended call structure to incentivise the Issuer to make a total voluntary prepayment of the Bonds before the extended Final Redemption Date, pursuant to which the Issuer may redeem all outstanding Bonds in full:
 - (i) any time from and including the Request has been approved pursuant to Section 3 (*Effective date*) to, but excluding, the original Final Redemption Date at a price per Bond equal to 100.00 per cent. of the Nominal Amount, if financed in full or in part by Market Loans, or 100.675 per cent., if not, together with accrued but unpaid Interest;
 - (ii) any time from and including the original Final Redemption Date to, but excluding, the first Business Day falling twelve (12) months after the original Final Redemption Date at a price per Bond equal to 103 per cent. of the Nominal Amount together with accrued but unpaid Interest; and
 - (iii) any time from and including the first Business Day falling twelve (12) months after the original Final Redemption Date to, but excluding, the extended Final Redemption Date at a price per Bond equal to 106 per cent. of the Nominal Amount together with accrued but unpaid Interest;
- (d) an amended undertaking in relation to disposal of assets under which no member of the Group may sell any material assets other than in the ordinary course of business;

- (e) an amended undertaking in relation to loans out under which the Issuer shall not provide new loans to any members of the Group unless security is provided over it to the Secured Parties; and
- (f) a new event of default giving a right to accelerate the Bonds if an Exit is made on any other level than Ellos Group Nordic AB (publ), a public limited liability company incorporated in Sweden with Reg. No. 559318-3618.

2.2 Base Fee

Subject to (i) the satisfaction of the conditions set forth in Section 4.5 (*Quorum*) and Section 4.6 (*Majority*) below and (ii) the implementation of the amendments to the Terms and Conditions pursuant to the Request and the satisfaction of the Condition Precedent as set out in Section 3 (*Effective Date*), the Issuer will pay a base fee (the “**Base Fee**”) to all Bondholders.

The Base Fee shall be equal to 0.50 per cent. of the Nominal Amount of each Bond (corresponding to SEK 5,000 per Bond). The Base Fee will be payable to Bondholders who are registered as a direct registered owner or as an authorised nominee in the debt register kept by the CSD on the relevant record date as communicated by the Issuer in connection with the amendment and restatement of the Terms and Conditions becoming effective in accordance with Clause 3 (*Effective Date*) below (the “**CSD Record Date**”).

2.3 Early Consent Fee

Subject to (i) the satisfaction of the conditions set forth in Section 4.5 (*Quorum*) and Section 4.6 (*Majority*) below (or delivery of voting undertakings to the Advisor to the effect that such requirements will be satisfied) prior to the Early Deadline and (ii) the implementation of the amendments to the Terms and Conditions pursuant to the Request and the satisfaction of the Condition Precedent as set out in Section 3 (*Effective Date*), the Issuer will pay an additional early consent fee (the “**Early Consent Fee**”) to all Bondholders.

The Early Consent Fee shall be equal to 0.50 per cent. of the Nominal Amount of each Bond (corresponding to SEK 5,000 per Bond). The Early Consent Fee will be payable to Bondholders who are registered as a direct registered owner or as an authorised nominee in the debt register kept by the CSD on the CSD Record Date.

2.4 Payment of Fees

Payments of the Base Fee and the Early Consent Fee are expected to be made no later than ten (10) Business Days from the Effective Date.

Any payment of the Base Fee and the Early Consent Fee will be effected to Bondholders through Euroclear Sweden AB, which will credit the income account (Sw. *avkastningskonto*) to which interest payments on the Bonds are made to the relevant Bondholder.

Payments are expected to be made without withholding or deduction for any applicable taxes and each Bondholder must make its own determination as to whether or not it is required to pay tax on any amounts it receives in connection with the Request.

The CSD Record Date and the payment date shall be announced by the Issuer immediately following the Effective Date.

The Agent does not administer the Base Fee or the Early Consent Fee and is not involved in or in any way responsible for the Base Fee or the Early Consent Fee.

2.5 Issue of Warrants

Subject to (i) the satisfaction of the conditions set forth in Section 4.5 (*Quorum*) and Section 4.6 (*Majority*) below and (ii) the implementation of the amendments to the Terms and Conditions pursuant to the Request and the satisfaction of the Condition Precedent as set out in Section 4 (*Effective Date*), the Issuer will without undue delay procure for the issue of warrants in the Issuer to the Bondholders registered as direct registered owners or as an authorised nominees in the debt register kept by the CSD on the CSD Record Date (the “**Warrants**”) to be distributed by the Sole Bookrunner (as defined in the Terms and Conditions). The Warrants shall provide for a profit sharing following the redemption of the Bonds granting the Bondholders right to 15 per cent. of the aggregate proceeds distributed on the preference shares and the ordinary shares of the Issuer other than shares issued to management and employees of the Group in connection with a shareholder exit. The Warrants are exercisable at an exit event and the principle terms of the Warrants are set out in the term sheet attached as Schedule 4.

The Bondholders by approving the Request hereby authorise the Agent to on behalf of the Bondholders (i) subscribe for Warrants and (ii) agree to any amendments of the terms of the Warrants, including any amendments to the structure or the implementation of the structure as long as the end result in the opinion of the Agent is consistent with the principles as described in the Written Procedure.

The Issuer and the Bondholders, by approving the Request, acknowledge and agree that the Agent are fully discharged from any liability whatsoever and the Agent shall not be responsible for any loss (whether direct or indirect) of any member of the Group or any Bondholder.

3. EFFECTIVE DATE

The Request shall be deemed approved immediately after the expiry of the voting period and satisfaction of the requisite quorum participation and majority vote as set forth in Section 4.5 (*Quorum*) and Section 4.6 (*Majority*) below, or if earlier, when a requisite majority of consents of the Adjusted Nominal Amount have been received by the Agent. The Issuer and the Agent shall, in order to implement and effectuate the Request, enter into amended and restated terms and conditions for the Bonds.

The Agent shall not amend and restate the Terms and Conditions in accordance with this Section 3 unless it has received (i) a written confirmation from the Issuer that the RCF has been extended or refinanced (ii) a copy of an executed pledge agreement in favour of the Security Agent acting on behalf of the Secured Parties in relation to a SEK 250,000,000 intragroup loan from the Issuer to Ellos Group AB (the “**Conditions Precedent**”).

If the Conditions Precedent have not been satisfied within 60 days after the date of announcement of the result of the Written Procedure, the Request shall lapse, and the Terms and Conditions shall not be amended in accordance with the Request.

4. WRITTEN PROCEDURE

The following instructions need to be adhered to in the Written Procedure. For the avoidance of doubt, a Bondholder who has delivered a voting undertaking to the Advisor must also, in

order to participate in Written Procedure, follow these instructions and complete and send a Voting Form to the Agent.

4.1 Final date to participate in the Written Procedure

The Agent must have received the votes by mail, courier or e-mail to the address indicated below no later than 15.00 CET, on 8 January 2024. Votes received thereafter may be disregarded.

4.2 Decision procedure

The Agent will determine if replies received are eligible to participate in the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision(s) taken in the Written Procedure will: (a) be sent by notice to the Bondholders and (b) be published on the websites of (i) the Issuer and (ii) the Agent.

A matter decided in the Written Procedure will be binding for all Bondholders, irrespective of them responding in the Written Procedure.

4.3 Voting rights and authorisation

Anyone who wishes to participate in the Written Procedure must on the Record Date (21 December 2023) in the debt register:

- (a) be registered as a direct registered owner of a Securities Account; or
- (b) be registered as authorised nominee in a Securities Account, with respect to one or several Bonds.

4.4 Bonds registered with a nominee

If you are not registered as a direct registered owner, but your Bonds are held through a registered authorised nominee or another intermediary, you may have two different options to influence the voting for the Bonds:

- (a) you can ask the authorised nominee or other intermediary that holds the Bonds on your behalf to vote in its own name as instructed by you; or
- (b) you can obtain a Power of Attorney (in the form set out in Schedule 2) from the authorised nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as Bondholder of the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the debt register as a Bondholder of the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate. Bonds owned by the Issuer, another Group Company or an Affiliate do not entitle to any voting rights.

4.5 **Quorum**

To approve the Request, Bondholders representing **at least twenty (20.00) per cent.** of the Adjusted Nominal Amount must reply to the Request under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the Request has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure. At the option of each Bondholder, a voting form provided at or before 12.00 CET on 8 January 2024 in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

4.6 **Majority**

The Agent must receive votes in favour of the Request representing at least **two thirds (⅔)** of the Adjusted Nominal Amount for which Bondholders reply under the Written Procedure in order for the Request to be adopted.

4.7 **General**

The Issuer may, at its option and in its sole discretion, at any time amend, extend, re-open or terminate the Written Procedure or the terms of the Written Procedure in accordance with the Terms and Conditions of the Bonds.

4.8 **Role of the Agent**

The role of the Agent under this Written Procedure is solely mechanical and administrative in nature. The information set out herein is presented to the Bondholder without any evaluation, advice or recommendations from the Agent whatsoever. The Agent is not an advisor to any party and has not reviewed or assessed the information set out herein from a legal or commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice (or the effect(s) of the Request, should it be adopted). The Bondholders are recommended to seek legal advice in order to independently evaluate whether the Request (and its effect(s), should it be adopted) are acceptable or not.

Further to the above and as set out in the Terms and Conditions, the Agent may assume that any documentation and other evidence delivered to it or to be entered into by it in relation to the Written Procedure is accurate, legally valid, correct and complete and the Agent does not have to verify the contents of such documentation or evidence.

4.9 **Address for sending replies**

Return the Voting Form (*Schedule 1*), and, if applicable, the Power of Attorney/Authorisation (*Schedule 2*) or other sufficient evidence, if the Bonds are held in custody other than Euroclear Sweden, by regular mail, scanned copy by e-mail, or by courier to:

By regular mail:

Nordic Trustee & Agency AB (publ)

Attn: Written Procedure Ellos Group AB (publ)

P.O. Box 7329
SE-103 90 Stockholm

By courier:

Nordic Trustee & Agency AB (publ)
Attn: Written Procedure Ellos Group AB (publ)
Norrandsgatan 23
SE-111 43 Stockholm

By e-mail:

voting.sweden@nordictrustee.com

5. FURTHER INFORMATION

For further questions to the Issuer regarding the Request, please contact the Issuer at johan.stigson@ellosgroup.com or +46 (0)33 16 08 05.

The Issuer has retained ABG Sundal Collier AB as financial advisor (the “**Advisor**”). Accordingly, Bondholders may contact the Advisor for further information regarding the proposals and requests, at ProjectEvolve@abscsc.no. The Advisor is an advisor to the Issuer and the Advisor owes no duty to any Bondholder or person authorised by a Bondholder. Nothing herein shall constitute a recommendation to the Bondholders by the Advisor.

For further questions to the Agent regarding the administration of the Written Procedure, please contact the Agent at voting.sweden@nordictrustee.com or +46 8 783 79 00.

Stockholm, 15 December 2023

NORDIC TRUSTEE & AGENCY AB (publ)
as Agent

Schedule 1 Voting Form

For the Written Procedure in Ellos Group AB (publ) SEK 1,500,000,000 Senior Secured Callable Floating Rate Bonds 2019/2024 with ISIN SE0012827996.

The undersigned Bondholder or authorised person/entity (the “**Voting Person**”), votes either **For** or **Against** the Request by marking the applicable box below. If a quorum does not exist in the Written Procedure, the Agent shall initiate a second Written Procedure provided that the Request has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure.

NOTE: If the Voting Person is not registered as Bondholder (as defined in the Terms and Conditions), the Voting Person must enclose a Power of Attorney, see Schedule 2.

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure dated 15 December 2023.

	For the Request
	Against the Request

The Voting Person hereby confirms (*tick the applicable box*) that this voting form shall constitute a vote also for a second Written Procedure (if any) pursuant to clause 18 (*Decisions by the Bondholders*) of the Terms and Conditions with respect to the Request:

Confirmed

Not Confirmed

Name of the Voting Person: _____

Capacity of the Voting Person:
(*tick the applicable box*)

Bondholder:

 ¹

authorised person:

 ²

Voting Person’s reg.no/id.no and country of incorporation/domicile: _____

Securities Account number at Euroclear Sweden:
(*if applicable*) _____

Name and Securities Account number of custodian(s):
(*if applicable*) _____

Nominal Amount voted for (in SEK): _____

Contact person, daytime telephone number and e-mail address: _____

Place, date: _____

Name;

(*Authorised signature*)³

¹ When voting in this capacity, no further evidence is required

² When voting in this capacity, the person/entity voting must also enclose a Power of Attorney/Authorisation (Schedule 2) from the Bondholder or other proof of authorisation showing the number of votes held on the Record Date (as defined in the Notice of Written Procedure from Ellos Group AB (publ)).

³ If the undersigned is not a Bondholder as defined in the Terms and Condition and has marked the box “authorised person”, the undersigned – by signing this document – confirms that the Bondholder has been instructed to refrain from voting for the number of votes cast with this Voting Form.

Schedule 2
Power of Attorney/Authorisation

For the Written Procedure in Ellos Group AB (publ) SEK 1,500,000,000 Senior Secured Callable Floating Rate Bonds 2019/2024 with ISIN SE0012827996.

NOTE: This Power of Attorney/Authorisation document shall be filled out if the Voting Person is not registered as Bondholder (as defined in the Terms and Conditions) on the Securities Account, held with Euroclear Sweden. It must always be established a coherent chain of power of attorneys derived from the Bondholder, i.e. if the person/entity filling out this Power of Attorney/Authorisation in its capacity as "other intermediary", the person/entity must enclose its Power of Attorney/Authorisation from the Bondholder.

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure dated 15 December 2023.

Name of person/entity that is given authorisation (Sw. <i>befullmäktigad</i>) to vote as per the Voting Record Date:
Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Voting Record Date:
Name of Bondholder or other intermediary giving the authorisation (Sw. <i>fullmaktsgivaren</i>):

We hereby confirm that the person/entity specified above (Sw. *befullmäktigad*) has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of: SEK _____

We are: (tick the applicable box)

	Registered as Bondholder on the Securities Account
	Other intermediary and holds the Bonds through (<i>specify below</i>):

Place, date: _____

Name:

(authorised signatory of Bondholder/other intermediary (Sw. *fullmaktsgivaren*))

Schedule 3
Amended Terms and Conditions

**TERMS AND CONDITIONS FOR
ELLOS GROUP AB (publ)
SEK 1,500,000,000
SENIOR SECURED CALLABLE FLOATING RATE
BONDS 2019/2026**

ISIN: SE0012827996

Issue Date: 25 July 2019

as amended and restated pursuant to an amendment and restatement agreement dated 21 February 2022 and as further amended and restated pursuant to an amendment and restatement agreement dated [●] 2024

The distribution of this document and the private placement of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

PRIVACY STATEMENT

The Agent may collect and process personal data relating to the Holders, the Holders' representatives or agents, and other persons nominated to act on behalf of the Holders pursuant to these Terms and Conditions (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Holders is primarily collected from the registry kept by the CSD. The personal data relating to other Persons is primarily collected directly from such Persons.

The personal data collected will be processed by the Agent for the following purposes:

- (a) to exercise its rights and fulfil its obligations under these Terms and Conditions and the Agent Agreement;
- (b) to manage the administration of the Bonds and payments under the Bonds;
- (c) to enable the Holders to exercise their rights under these Terms and Conditions; and
- (d) to comply with its obligations under applicable laws and regulations.

The processing of personal data by the Agent in relation to items (a)–(c) is based on its legitimate interest to exercise its rights and to fulfil its obligations under these Terms and Conditions and the Agent Agreement. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

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

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Agent. In addition, data subjects have the right to:

- (a) request that personal data is rectified or erased;
- (b) object to specific processing;
- (c) request that the processing be restricted; and
- (d) receive personal data provided by themselves in machine-readable format.

Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Agent's address, and the contact details for its data protection officers (if applicable), are found on its website www.nordictrustee.com.

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**TERMS AND CONDITIONS FOR
ELLOS GROUP AB (publ)
SEK 1,500,000,000
SENIOR SECURED CALLABLE FLOATING RATE BONDS 2019/2024
ISIN: SE0012827996**

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Acquisition**” means the Issuer’s acquisition of Target.

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time *less* the aggregate Nominal Amount of all Bonds owned by the Issuer, a Group Company or an Affiliate of the Issuer or a Group Company, irrespective of whether such Person is directly registered as owner of such Bonds.

“**Advance Purchase Agreement**” means:

- (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than one hundred and twenty (120) calendar days after the date of supply; or
- (b) any other trade credit incurred or provided in the ordinary course of business.

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

“**Agency Agreement**” means the agency agreement entered into between the Agent and the Issuer on or prior to the Issue Date regarding, *inter alia*, the remuneration payable by the Issuer to the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an Agent.

“**Agent**” means Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden) or another party replacing it as Agent in accordance with the Finance Documents.

“**Agreed Security Principles**” means the agreed security principles set out in Schedule 1 (*Agreed Security Principles*).

“**Bond**” means debt instruments (Sw. *skuldförbindelser*), each for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions.

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

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 19 (*Bondholders’ Meeting*).

“**Business Day**” means a day in Sweden other than a public holiday. For the purpose of this definition, Saturdays, Sundays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year’s Eve (Sw. *nyårsafton*) shall be deemed to be public holidays.

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

“**Call Option Amount**” means:

- (a) if the Call Option is exercised before the First Call Date, the sum of:
 - (i) 103.375 per cent. of the Nominal Amount; and
 - (ii) the remaining interest payments up to (and including) the First Call Date;
- (b) 103.375 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the First Call Date up to (but excluding) the date falling thirty-six (36) months after the Issue Date;
- (c) 102.700 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling thirty-six (36) months after the Issue Date up to (but excluding) the date falling 42 months after the Issue Date;
- (d) 102.025 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling forty-two (42) months after the Issue Date up to (but excluding) the date falling forty-eight (48) months after the Issue Date;
- (e) 101.350 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling forty-eight (48) months after the Issue Date up to (but excluding) the date falling fifty-four (54) months after the Issue Date;
- (f) subject to paragraph (g) below, 100.675 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling fifty-four (54) months after the Issue Date up to (but excluding) 25 July 2024;
- (g) 100.00 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling fifty-four (54) months after the Issue Date up to (but excluding) 25 July 2024 provided that such early redemption is financed in full or in part by way of the Issuer issuing Market Loan(s);

- (h) 103.00 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after 25 July 2024 and before (but excluding) 25 July 2025; or
- (i) 106.00 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after 25 July 2025 up to the Final Redemption Date.

For the purpose of calculating the remaining interest payments pursuant to paragraph (a)(ii) above, it shall be assumed that the Interest Rate for the period from the relevant Record Date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

“**Capex Facility**” means any credit facility or facilities provided by reputable banks or financial institutions to the Group for capital expenditures and/or acquisitions (and any refinancing, amendment or replacements thereof), in an aggregate principal amount not at any time exceeding the higher of (i) SEK 300,000,000 (or its equivalent in any other currency or currencies) and (ii) an amount equal to Consolidated EBITDA.

“**Capex Facility Creditor**” means any creditor in respect of a Capex Facility.

“**Cash**” means cash and cash equivalents of the Group in accordance with the applicable Accounting Principles as set forth in the latest Financial Report.

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

“**Change of Control**” means the occurrence of an event or series of events whereby the Parent ceases to own or control (directly or indirectly) one hundred (100.00) per cent. of the share and voting capital in the Issuer, provided that a Change of Control shall not be deemed to occur if at least fifty point one (50.10) per cent. of the shares and voting capital in the Issuer is controlled (directly or indirectly) by Nordic Capital.

“**Closing Date**” means the date of completion of the Acquisition.

“**Compliance Certificate**” means a certificate, in the agreed form between the Agent and the Issuer, signed by the Issuer.

“**Conditions Precedent**” means all documents and evidence required to be delivered by the Issuer pursuant to Clause 5.1 (*Initial Conditions Precedent*) and Clause 5.2 (*Conditions Precedent for Disbursement*).

“**Conditions Subsequent**” means all documents and evidence required to be delivered by the Issuer pursuant to Clause 5.3 (*Conditions Subsequent*).

“**Consolidated EBITDA**” means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Report(s):

- (a) *before deducting* any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) *before deducting* any Net Finance Charges;

- (c) *minus* the interest expenses in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles in force prior to 1 January 2019, have been treated as an operating lease but has subsequently been reclassified as a balance sheet liability;
- (d) *before taking into account* any extraordinary items and non-recurring items which are not in line with the ordinary course of business of the Group, in an aggregate amount not exceeding ten (10.00) per cent. of Consolidated EBITDA of the relevant Reference Period;
- (e) *before taking into account* any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (f) *not including* any accrued interest owing to any Group Company;
- (g) *before taking into account* any unrealised gains or losses on any derivative instrument (other than any derivative instruments which are accounted for on a hedge account basis);
- (h) *after adding back or deducting*, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (i) *after deducting* the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (j) *plus or minus*, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group; and
- (k) *after adding back* any amount attributable to the amortisation, depreciation or depletion of assets of Group Companies.

“**Credit Facilities**” means a Super Senior RCF or a Capex Facility.

“**CSD**” means the Issuer's central securities depository and registrar in respect of the Bonds from time to time; initially Euroclear Sweden AB (reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden).

“**Delisting**” means a situation where, once the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market, the Bonds are no longer admitted to trading thereon (however, taking into account the rules and regulations (as amended from time to time) of Nasdaq Stockholm or any other Regulated Market, as applicable, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).

“**Ellos Group Nordic**” means Ellos Group Nordic AB (publ), a public limited liability company incorporated in Sweden with reg. no. 559318-3618.

“**Escrow Account**” means a bank account held by the Issuer with the Escrow Account Bank which has been pledged and perfected in favour of the Agent and the Bondholders (represented by the Agent) under the Escrow Account Pledge Agreement.

“**Escrow Account Bank**” means Swedbank AB (publ).

“Escrow Account Pledge Agreement” means the pledge agreement entered into between the Issuer and the Agent (acting on its own behalf and in its capacity as agent and security agent representing the Bondholders) before the Issue Date in respect of a first priority pledge over the Escrow Account and all funds standing to the credit of the Escrow Account from time to time, granted in favour of the Agent and the Bondholders (represented by the Agent).

“Event of Default” means an event or circumstance specified as such in Clause 16 (*Termination of the Bonds*).

“Exit” means a sale of shares in or assets of a member of the Group (directly or indirectly) by way of an IPO or a Sale or sale of debt instruments.

“Final Redemption Date” means 25 July 2026.

“Finance Charges” means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company according to the latest Financial Reports (calculated on a consolidated basis) other than Transaction Costs, capitalised interest in respect of any Shareholder Debt, interest on Bonds held by a Group Company, interest on any loan owing to any Group Company and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

“Finance Documents” means the Terms and Conditions, the Intercreditor Agreement, the Agency Agreement, the Escrow Account Pledge Agreement, the Transaction Security Documents, the Guarantee Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

“Finance Lease” means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Principles, be treated as a balance sheet liability (other than a lease or hire purchase contract which would, in accordance with the Accounting Principles in force prior to 1 January 2019, have been treated as an operating lease).

“Financial Indebtedness” means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Lease;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a) to (f).

“**Financial Report**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to paragraphs (a) and (b) of Clause 13.1.

“**First Call Date**” means the date falling thirty (30) months after the Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“**Floating Rate Margin**” means 6.75 per cent. *per annum*.

“**Force Majeure Event**” has the meaning set forth in Clause 28.1.

“**Group**” means the Issuer and each of its Subsidiaries from time to time.

“**Group Company**” means the Issuer or any of its Subsidiaries.

“**Guarantee**” means the guarantees provided by the Guarantors pursuant to the Guarantee Agreement.

“**Guarantee Agreement**” means the guarantee agreement entered into or to be entered into between the Issuer, each Guarantor and the Security Agent pursuant to which the Secured Obligations will be guaranteed by the Guarantors (which shall contain customary guarantee limitation and parallel debt language).

“**Guarantor**” means each Group Company which becomes a guarantor in accordance with Clause 6.2 (*Guarantees*).

“**Hedge Counterparty**” has the meaning ascribed to that term in the Intercreditor Agreement.

“**Hedging Agreement**” has the meaning ascribed to that term in the Intercreditor Agreement.

“**Hedging Obligations**” has the meaning ascribed to that term in the Intercreditor Agreement.

“**IFRS**” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Incurrence Test**” has the meaning set forth in Clause 14.2 (*Incurrence Test*).

“**Initial Nominal Amount**” has the meaning set forth in Clause 3.1.

“**Intercreditor Agreement**” means the intercreditor agreement made between, amongst others, the Issuer, the Security Agent, the Bonds Agent, the Super Senior RCF Creditor and/or its representative and the Hedge Counterparty (if any) (each as defined therein) on or before the Closing Date.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 11.1 to 11.3.

“**Interest Payment Date**” means 25 January, 25 April, 25 July and 25 October each year, with the first Interest Payment Date on 25 October 2019 and the last Interest Payment Date being the relevant Redemption Date or, to the extent any such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“Interest Period” means each period beginning on (but excluding) the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“Interest Rate” means STIBOR (3 months) plus the Floating Rate Margin.

“IPO” means the admission to listing of shares on any public stock exchange, regulated market place or other recognised exchange for the public trading of shares.

“Issue Date” means 25 July 2019.

“Issuer” means Ellos Group AB (publ) (formerly known as FNG Nordic AB (publ)), a public limited liability company incorporated in Sweden with reg. no. 559175-1325.

“Issuing Agent” means ABG Sundal Collier ASA (reg. no. 883 603 362, Munkedamsveien 45, N-0205 Oslo, Norway) or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“Leverage Ratio” means the ratio of Net Interest Bearing Debt to Consolidated EBITDA.

“Listing Failure” means a situation where the Bonds have not been admitted to trading within sixty (60) days from the Issue Date (although the Issuer will use its best efforts to have the Bonds admitted to trading within thirty (30) days from the Issue Date).

“Maintenance Test” means has the meaning ascribed to it in Clause 14.1 (*Maintenance Test*).

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

“Material Adverse Effect” means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the Issuer’s ability to perform and comply with its payment obligations; or
- (c) the validity or enforceability of the Finance Documents.

“Material Group Company” means:

- (a) the Issuer; and
- (b) following the Closing Date:
 - (i) the Target; and
 - (ii) any other Group Company with earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) representing five (5.00) per cent. or more of Consolidated EBITDA, or which has assets representing five (5.00) per cent. or more of Total Assets, calculated on a consolidated basis according to the latest Financial Report(s).

“Material Intra-Group Loan” means any intra-group loan provided by the Issuer or a Guarantor to any of its Subsidiaries where:

- (a) the term (calculated from its incurrence) exceeds twelve (12) months; and
- (b) the principal amount exceeds SEK 10,000,000 (or its equivalent in any other currency or currencies) (when aggregate with all other intra-group loans between the same intra-group creditor and debtor).

“**Net Finance Charges**” means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any Group Company and any interest income relating to Cash.

“**Net Interest Bearing Debt**” means the consolidated interest bearing Financial Indebtedness of the Group:

- (a) *excluding* guarantees, bank guarantees, Shareholder Debt, any claims subordinated to the Bonds pursuant to a subordination agreement, operating leases and interest bearing Financial Indebtedness borrowed from any Group Company; and
- (b) *less* Cash (including Cash held on the Escrow Account).

“**Net Proceeds**” means the proceeds from the Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner for the services provided in relation to the placement and issuance of the Bonds.

“**Nominal Amount**” means the Initial Nominal Amount less the amount of any repayments and amortisations made.

“**Nordic Capital**” means Nordic Capital CV1 Alpha, L.P. and Nordic Capital CV1 Beta, L.P. (each acting by their general partner or delegated portfolio manager) and/or one or more other funds, special purpose vehicles, trusts, partnerships and/or other entities (including, in each case, any continuation fund or successor of any such entity) which are directly or indirectly owned, managed, sponsored, controlled and/or advised by (i) Nordic Capital CV1 Limited and/or (ii) any other ‘Nordic Capital’ entity acting in a similar capacity (each of (i) and (ii) being an “**NC Entity**”) and/or (iii) any affiliate, direct or indirect subsidiary, subsidiary undertaking or holding company, partner, member or trustee of an NC Entity.

“**Obligor**” means the Issuer or a Guarantor.

“**Parent**” means FNG NV, a public limited liability company incorporated in Belgium with reg. no. 0697.824.730.¹

“**Parent Guarantee**” means a guarantee issued by the Parent to the Agent and each Bondholder (represented by the Agent), guaranteeing punctual performance by the Issuer of its payment obligations under the Terms and Conditions, in accordance with the terms of such guarantee.

“**Person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

¹ FNG NV is no longer the parent company of the Group and all references in relation the Parent are only included for historic reasons.

“Permitted Financial Indebtedness” means any Financial Indebtedness:

- (a) incurred under the Finance Documents;
- (b) incurred under the Super Senior RCF (including, for the avoidance of doubt, any Financial Indebtedness secured by a bank guarantee provided as an ancillary facility under the Super Senior RCF);
- (c) incurred under a Capex Facility, provided that the Incurrence Test is met on a *pro forma* basis upon the incurrence of such Financial Indebtedness;
- (d) up until the release of the Net Proceeds from the Escrow Account, any existing Financial Indebtedness;
- (e) in the form of any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of trade of a Group Company;
- (f) arising under a derivative transaction entered into by a Group Company in connection with protection against or benefit from fluctuation in any rate or price where such exposure arises in the ordinary course of business or in respect of payments to be made under the Finance Documents, the Super Senior RCF or the Capex Facility (excluding for the avoidance of doubt any derivative transaction which in itself is entered into for investment or speculative purposes)
- (g) taken up from a Group Company;
- (h) incurred under any Shareholder Loan;
- (i) incurred in the ordinary course of business of the Group under an Advance Purchase Agreements or a guarantee for an Advance Purchase Agreements;
- (j) under any pension and tax liabilities incurred in the ordinary course of business;
- (k) related to any agreements under which a Group Company leases office space (*Sw. kontorshyresavtal*) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company’s business;
- (l) up until the Closing Date, arising under any arm’s length terms loan from the Parent to the Issuer made for the purposes of debt service in respect of the Bonds;
- (m) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, inter alia, the redemption of the Bonds; and
- (n) any other Financial Indebtedness not otherwise permitted by paragraphs (a) to (m) above, in an aggregate amount not exceeding SEK 50,000,000 (or its equivalent in any other currency or currencies).

“Permitted Payment” means (whether directly or indirectly) a payment made:

- (a) to another Group Company, provided that if such payment is made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis;
- (b) to the Parent to repay any principal amount or interest accrued in respect of any loan permitted under paragraph (l) of the definition of “Permitted Financial Indebtedness”; or
- (c) to the Parent to fund a payment of regulatory costs, audit fees, legal expenses, directors’ emoluments and any other management or administration expenses required to maintain the corporate existence of the Parent or any of its holding companies or to fund their operating costs or to pay their taxes or to fund fees and charges of consultants or advisers incurred in connection with the provision of services to them, in an aggregate amount not exceeding SEK 2,000,000 (or its equivalent in other currencies) in any financial year,

in each case provided that:

- (i) such payment is permitted by law; and
- (ii) no Event of Default is continuing or would result from such payment.

“Permitted Security” means any Security:

- (a) provided in accordance with the Finance Documents;
- (b) provided in relation to the Super Senior Debt, provided that such Security is extended to and shared between the Secured Parties in accordance with the terms of the Intercreditor Agreement;
- (c) up until the release of the Net Proceeds from the Escrow Account, in the form of any Security granted in respect of any existing debt;
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including cash pool arrangements;
- (e) provided in relation to any agreement under which a Group Company leases office space (Sw. *kontorshyresavtal*) or other premises provided such lease constitutes Permitted Financial Indebtedness;
- (f) arising by operation of law or in the ordinary course of business of the Group (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or Security in respect of any monies borrowed or raised);
- (g) any Security created for the purposes of securing obligations to the CSD in relation to the Bond Issue;
- (h) provided in the form of a pledge over an escrow account to which the proceeds from a refinancing of the Bonds are to be transferred or agreed to be provided for the benefit of the financing providers in relation to a refinancing of the Bonds in full (a

“**Refinancing**”), provided that any perfection requirements in relation thereto are satisfied only after repayment of the Bonds in full;

- (i) any Security created for the benefit of the financing providers in relation to a Refinancing, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full; or
- (j) any Security securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of Security given by any member of the Group other than any permitted under paragraphs (a) to (i) above) does not exceed SEK 10,000,000 (or its equivalent in any other currency or currencies).

“**Quarter Date**” means each of 31 March, 30 June, 30 September and 31 December.

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

“**Record Date**” means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 17 (*Distribution of proceeds*), (iv) the date of a Bondholders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 12 (*Redemption and repurchase of the Bonds*).

“**Reference Period**” means each period of twelve (12) consecutive calendar months ending on a Testing Date.

“**Regulated Market**” means any regulated market (as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended).

“**Sale**” means a sale of (i) any or all of the shares in a member of the Group or (ii) all or substantially all of the assets of the Group.

“**Secured Obligations**” has the meaning ascribed to it in the Intercreditor Agreement.

“**Secured Parties**” has the meaning ascribed to it in the Intercreditor Agreement.

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

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

“**Security Agent**” means the Secured Parties’ security agent from time to time; initially Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879, P.O. Box 7329, 103 90 Stockholm, Sweden).

“**SEK**” means the lawful currency of Sweden for the time being.

“**Shareholder Loan**” means any shareholder loan to the Issuer or any of its Subsidiaries from direct or indirect shareholders of the Issuer, where the Issuer or the relevant Subsidiary is the debtor, if such shareholder loan:

- (a) is subordinated to the obligations of the Issuer under the Finance Documents, pursuant to the Intercreditor Agreement or under another subordination agreement;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date; and
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Redemption Date.

“**Sole Bookrunner**” means ABG Sundal Collier ASA (reg. no. 883 603 362, Munkedamsveien 45, N-0205 Oslo, Norway).

“**STIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11.00 a.m. on the Quotation Date; or
- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant period,

and if any such rate is below zero (0), STIBOR will be deemed to be zero (0).

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly:

- (a) owns shares or ownership rights representing more than fifty (50.00) per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than fifty (50.00) per cent. of the total number of votes held by the owners;
- (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body; or
- (d) exercises control, as determined in accordance with the Accounting Principles.

“**Super Senior Creditors**” means any Super Senior RCF Creditor, any Capex Facility Creditor and any Hedge Counterparty (in the case of the Hedging Obligations and Capex Facility, provided that the relevant creditor or its representative have acceded to the Intercreditor Agreement).

“**Super Senior Debt**” means the Group’s liabilities towards the Super Senior Creditors under the Super Senior Documents

“**Super Senior Documents**” means the Super Senior RCF, the Capex Facility and the Hedging Agreement.

“**Super Senior RCF**” means:

- (a) the SEK 350,000,000 super senior revolving credit facility provided by Swedbank AB (publ) on or about the Closing Date; or
- (b) any other facility or facilities provided to the Group for general corporate purposes of the Group (and any refinancing, amendment or replacements thereof), amended from time to time (as the case may be),

in an aggregate principal amount not at any time exceeding the higher of:

- (i) SEK 350,000,000 (or its equivalent in any other currency or currencies); and
- (ii) an amount equal to seventy-five (75.00) per cent. of Consolidated EBITDA.

“**Super Senior Representative**” has the meaning ascribed to it in the Intercreditor Agreement.

“**Super Senior RCF Creditor**” means any creditor under a Super Senior RCF.

“**Target**” means Ellos Group Holding AB (publ), a public limited liability company incorporated in Sweden with reg. no. 556857-8511.

“**Target Group**” means Target and its Subsidiaries from time to time.

“**Target Share Pledge Agreement**” means the Swedish law pledge agreement entered into between the Issuer and the Security Agent (acting on its own behalf and in its capacity as agent and security agent representing the Secured Parties) in respect of all shares in Target.

“**Total Assets**” means the consolidated book value of the Group’s assets according to the latest Financial Report.

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with the Bond Issue and the admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm or any other Regulated Market.

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent (acting on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means:

- (a) the Target Share Pledge Agreement; and
- (b) any document required to be delivered to the Agent under Clause 5.3 (*Conditions Subsequent*) or Clause 6.1 (*Transaction Security*) together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 20 (*Written Procedure*).

1.2 **Construction**

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) a “**Finance Document**” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
- (c) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (d) a “**regulation**” includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (e) an “**enforcement**” of a Guarantee means making a demand for payment under a Guarantee;
- (f) a provision of law is a reference to that provision as amended or re-enacted; and
- (g) a time of day is a reference to Stockholm time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within the European Economic Area promptly and in a non-discriminatory manner.

1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

1.3 **Conflict of Terms**

In case of any conflict of terms between the terms of the Intercreditor Agreement and any other Finance Document, the terms of the Intercreditor Agreement shall prevail.

2. **STATUS OF THE BONDS**

- (a) Subject to the Intercreditor Agreement, the Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (b) The relationship between the Bondholders and the Super Senior Creditors will be governed by the Intercreditor Agreement which, amongst other things, will (without prejudice to the terms of the Intercreditor Agreement) contain the following terms and conditions:
 - (i) the Senior Debt will be subordinated in right and priority of payment to the Super Senior Debt in case of an Insolvency Event or an Enforcement Action (each as defined in the Intercreditor Agreement);
 - (ii) in case of an enforcement of the Transaction Security or the Guarantees, any enforcement proceeds will be applied towards repayment of the Super Senior Debt in full before being applied towards the redemption of the Bonds;
 - (iii) following a Payment Block Event (as defined in the Intercreditor Agreement) and for long as it is continuing, no payments may be made by the Issuer or the Group to the Bondholders under or in relation to the Bonds; and
 - (iv) if Conflicting Enforcement Instructions (as defined in the Intercreditor Agreement) are provided by the Agent or the Super Senior Representatives, the Agent and the Super Senior Representatives must enter into consultations for a period of maximum thirty (30) calendar days as set out in the Intercreditor Agreement (unless such consultation is waived by the Agent and the Super Senior Representatives).

3. **THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS**

- 3.1 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 3.2 The aggregate nominal amount of the Bond Issue is SEK 1,500,000,000 (the “**Bond Issue**”), which will be represented by Bonds each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Initial Nominal Amount**”).
- 3.3 The ISIN for the Bonds is SE0012827996.
- 3.4 All Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 3.5 The minimum permissible investment in connection with the Bond Issue is SEK 2,000,000.

- 3.6 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 3.7 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds each subsequent Bondholder confirms such agreement.

4. USE OF PROCEEDS

- 4.1 Subject to Clause 5.1 (*Initial Conditions Precedent*), the Net Proceeds from the Bond Issue shall initially be deposited on the Escrow Account.
- 4.2 Upon release of the Net Proceeds from the Escrow Account, the amount standing to the credit of the Escrow Account shall be applied towards:
- (a) *firstly*, funding of the purchase price for the Acquisition and the refinancing (directly or indirectly) of existing indebtedness of the Target and its Subsidiaries (including related fees, costs and expenses of such refinancing); and
 - (b) *thereafter*, for general corporate purposes of the Group.

5. CONDITIONS PRECEDENT AND CONDITIONS SUBSEQUENT

5.1 Initial Conditions Precedent

The disbursement of the Net Proceeds to the Escrow Account is subject to the Agent having received the following documentation and evidence no later than two (2) Business Days prior to the Issue Date:

- (a) copies of the constitutional documents of the Issuer;
- (b) a copy of a resolution of the board of directors of the Issuer:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;
- (c) a duly executed copy of the Terms and Conditions;
- (d) a duly executed copy of the Agency Agreement; and
- (e) the Escrow Account Pledge Agreement duly executed by all parties thereto; and
- (f) evidence that the security purported to be created under the Escrow Account Pledge Agreement has been duly perfected in accordance with the terms of the Escrow Account Pledge Agreement (including an acknowledgement of the security from the account bank).

5.2 **Conditions Precedent for Disbursement**

5.2.1 In addition to the documents and evidence set out in Clause 5.1 (*Initial Conditions Precedent*), disbursement of the Net Proceeds of the Bond Issue from the Escrow Account is subject to the Agent having received the following documentation and evidence:

- (a) copies of the constitutional documents of the Parent;
- (b) a copy of a resolution of the board of directors of the Parent:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;
- (c) a duly executed copy of the Intercreditor Agreement;
- (d) a duly executed copy of the Parent Guarantee;
- (e) a duly executed copy of the Target Share Pledge Agreement;
- (f) a copy of a legal opinion issued by a reputable Belgian legal counsel addressed to the Agent and the Issuing Agent as regards capacity, authorisation, due execution by the Parent of the Parent Guarantee and the validity and enforceability of the Parent Guarantee;
- (g) a closing certificate issued by the Issuer confirming that all closing conditions for the Acquisition (except for the cash portion of the purchase price) have been satisfied or waived and that the Acquisition will be consummated immediately upon disbursement of the Net Proceeds from the Escrow Account;
- (h) a list of any existing Financial Indebtedness and/or existing Security not constituting Permitted Financial Indebtedness or Permitted Security, as applicable, incurred or granted by or over the Group (including the Subsidiaries of Target) and evidence in the form of release letter(s) and/or cancellation and prepayment letters (as applicable) that any such existing Financial Indebtedness and/or existing Security will be repaid or released, as applicable, promptly upon disbursement of the Net Proceeds from the Escrow Account; and
- (i) an agreed form Compliance Certificate.

5.2.2 When the Conditions Precedent have been fulfilled, the Agent shall without delay instruct the Escrow Account Bank to release the security over the Escrow Account.

5.3 **Conditions Subsequent**

The Issuer shall, within one hundred and twenty (120) calendar days of the Closing Date, provide the following documentation and evidence to the Agent:

- (a) constitutional documents of each Guarantor;

- (b) corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for each Guarantor and each other Group Company which is a party to a Finance Document, together constituting evidence that the Finance Documents have been duly executed (including shareholder resolutions (if applicable));
- (c) a copy of the Guarantee Agreement, duly executed by the Issuer and each Guarantor;
- (d) copy of accession agreements in respect of the Intercreditor Agreement, duly executed by each Guarantor;
- (e) evidence in the form of a Compliance Certificate that the requirements of Clause 15.9 (*Guarantors*) are met;
- (f) subject to the Agreed Security Principles, copies of the Transaction Security Documents in relation to the Guarantors, duly executed and evidence that the documents and other evidences to be delivered pursuant to such Transaction Security Documents have been delivered and satisfied; and
- (g) legal opinion(s) on the capacity and due execution of each Group Company which is a party to a Finance Document and the validity and enforceability of the Finance Documents, in each case in customary form and content issued by a reputable law firm.

5.4 **No responsibility for documentation**

The Agent may assume that the Conditions Precedent and the Conditions Subsequent is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation or evidence. None of the Conditions Precedent or Conditions Subsequent are reviewed by the Agent from a legal or commercial perspective of the Bondholders.

6. TRANSACTION SECURITY AND GUARANTEES

6.1 Transaction Security

- (a) Subject to the Intercreditor Agreement and the Agreed Security Principles, as continuing security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants (and shall procure that any other Group Company (as applicable) grants) as first ranking security to the Secured Parties (as represented by the Agent) the Transaction Security on the terms set out in the Transaction Security Documents.
- (b) The Security Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Transaction Security Documents and the Intercreditor Agreement.
- (c) Subject to the Agreed Security Principles and the Intercreditor Agreement, the Issuer shall ensure that:
 - (i) first ranking Security is granted in favour of the Secured Parties over the shares of any Group Company (other than the shares of the Issuer over which no Security shall be granted) becoming a Guarantor pursuant to paragraph (c)

- of Clause 6.2 (*Guarantees*) at the same time such Group Company becomes a Guarantor;
- (ii) first ranking Security is granted in favour of the Secured Parties over existing business mortgages in each Guarantor at the same time such Group Company becomes a Guarantor;
 - (iii) first ranking Security is granted in favour of the Secured Parties in respect of trade receivables of each Guarantor at the same time such Group Company becomes a Guarantor; and
 - (iv) first ranking Security is granted in favour of the Secured Parties over any Material Intra-Group Loan within sixty (60) Business Days of its incurrence.
- (d) The Issuer shall:
- (i) ensure that the Transaction Security Documents and all documents relating thereto are duly executed in favour of the Agent and the Secured Parties (as represented by the Agent) and that such documents are legally valid, perfected, enforceable and in full force and effect according to their terms;
 - (ii) ensure that the relevant pledgors carry out any action to protect, perfect or give priority to the Transaction Security; and
 - (iii) execute and/or procure the execution of such further documentation as the Agent may reasonably require in order for the Bondholders and the Agent to at all times maintain the security position and guarantee position envisaged under the Finance Documents.
- (e) Subject to the terms of the Intercreditor Agreement, except if otherwise decided by the Bondholders according to the procedures set out in Clauses 18 (*Decisions by Bondholders*), 19 (*Bondholders' Meeting*) and 20 (*Written Procedure*), the Agent is, without first having to obtain the Bondholders' consent, entitled to enter into binding agreements with the Group Companies or third parties if it is, in the Agent's sole discretion, necessary for the purpose of establishing, maintaining, altering, releasing or enforcing the Transaction Security or the Guarantees or for the purpose of settling the various Bondholders' relative rights to the Transaction Security or the Guarantees. The Agent is entitled to take all measures available to it according to the Transaction Security Documents and the Guarantees.

6.2 Guarantees

- (a) Subject to applicable laws, the Agreed Security Principles and the Intercreditor Agreement, each Guarantor shall unconditionally and irrevocably, jointly and severally, guarantee as principal obligor (Sw. *proprieborgen*) to the Secured Parties (as represented by the Security Agent) as for its own debts (Sw. *såsom för egen skuld*) the full and punctual payment by the Issuer of the Secured Obligations in accordance with the Guarantee Agreement.
- (b) The Security Agent shall hold the Guarantees on behalf of the Secured Parties in accordance with the Guarantee Agreement and the Intercreditor Agreement.

- (c) Subject to the Agreed Security Principles, the Issuer shall:
- (i) within one hundred and twenty (120) Business Days from the Closing Date; and
 - (ii) within ninety (90) Business Days of delivery of each of its annual audited consolidated Financial Reports,
- ensure that:
- (A) each Material Group Company is a Guarantor; and
 - (B) unless the aggregate of earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of the Guarantors represents at least eighty-five (85.00) per cent. of Consolidated EBITDA and the aggregate gross assets of the Guarantors represents at least eighty-five (85.00) per cent. of Total Assets (in each case calculated on an unconsolidated basis and excluding all intra-group items and investments in Subsidiaries of any Group Company), procure that further Group Companies become Guarantors so that such thresholds are attained,
- in each case as evidenced by such Financial Report and Compliance Certificate.

6.3 Enforcement of Transaction Security and Guarantees

- (a) Subject to the Intercreditor Agreement, if the Bonds are declared due and payable according to Clause 16 (*Termination of the Bonds*), or following the Final Redemption Date, the Agent is, without first having to obtain the Bondholders' consent, entitled to enforce the Transaction Security and the Guarantees in such manner and under such conditions that the Agent finds acceptable (if in accordance with the Transaction Security Documents, the Guarantee Agreement and the Intercreditor Agreement).
- (b) Subject to the terms of the Intercreditor Agreement, if a Bondholders' Meeting has been convened, or a Written Procedure has been instigated, to decide on the termination of the Bonds and/or the enforcement of all or any of the Transaction Security or the Guarantees, the Agent is obligated to take actions in accordance with the Bondholders' decision regarding the Transaction Security or Guarantees. However, if the Bonds are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in the Finance Documents, the Agent shall not enforce the Transaction Security or the Guarantees. Subject to the terms of the Intercreditor Agreement, if the Bondholders, without any prior initiative from the Agent or the Issuer, have made a decision regarding termination of the Bonds and enforcement of the Transaction Security or the Guarantees in accordance with the procedures set out in Clauses 18 (*Decisions by Bondholders*), 19 (*Bondholders' Meeting*) and 20 (*Written Procedure*), the Agent shall promptly declare the Bonds terminated and enforce the Transaction Security or the Guarantees (as applicable). The Agent is however not liable to take action if the Agent considers cause for termination and/or acceleration not to be at hand, unless the instructing Bondholders in writing

commit to holding the Agent indemnified and, at the Agent's own discretion, grant sufficient security for the obligation.

- (c) Funds that the Agent receives (directly or indirectly) on behalf of Secured Parties in connection with the termination of the Bonds or the enforcement of any or all of the Transaction Security or the Guarantees constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest bearing account on behalf of the Secured Parties. The Agent shall promptly arrange for payments to be made to the Bondholders in such case. The Agent shall arrange for payments of such funds in accordance with Clause 17 (*Distribution of proceeds*) as soon as reasonably practicable. If the Agent deems it appropriate, it may, in accordance with this paragraph (c), instruct the CSD to arrange for payment to the Bondholders.
- (d) For the purpose of exercising the rights of the Bondholders and the Agent under the Finance Documents and for the purpose of distributing any funds originating from the enforcement of any Transaction Security or a Guarantee, the Issuer irrevocably authorises and empowers the Agent to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Bondholders in accordance with paragraph (c) above. To the extent permissible by law, the powers set out in this paragraph (d) are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney, which the Agent deems necessary for the purpose of carrying out its duties under paragraph (c) above (including as required by the CSD in order for the CSD to accept such payment instructions). Especially, the Issuer shall, upon the Agent's request, provide the Agent with a written power of attorney empowering the Agent to change the bank account registered with the CSD to a bank account in the name of the Agent and to instruct the CSD to pay out funds originating from an enforcement in accordance with paragraph (c) above to the Bondholders through the CSD.

6.4 **Release of Transaction Security and Guarantees**

Subject to the terms of the Intercreditor Agreement, the Security Agent may release Guarantees and Transaction Security in accordance with the terms of the Transaction Security Documents, the Guarantee Agreement and the Intercreditor Agreement (as applicable).

7. **THE BONDS AND TRANSFERABILITY**

- 7.1 Each Bondholder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 7.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 7.3 Upon a transfer of Bonds, any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the transferee.

- 7.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, e.g., its nationality, its residency, its registered address or its place(s) of business). Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 7.5 The Bonds have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and the Issuer is under no obligation to arrange for registration of the Bonds under the Securities Act or under any other law or regulation.
- 7.6 The Bonds are not offered to and may not be subscribed by investors located in the United States except for “Qualified Institutional Buyers” (“**QIB**”) within the meaning of Rule 144A under the Securities Act. In the application form relating to the Bonds, each person applying for the Bonds must confirm whether it is a U.S. person as defined in Rule 902 of Regulation S under the Securities Act, and if it is a U.S. person it must confirm, *inter alia*, that it is a QIB.
- 7.7 Bondholders located in the United States are not permitted to transfer Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act, (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and (e) pursuant to any other available exemption from registration under the Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act.
- 7.8 For the avoidance of doubt and notwithstanding the above, a Bondholder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Bondholder hereunder in each case until such allegations have been resolved.

8. BONDS IN BOOK-ENTRY FORM

- 8.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- 8.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act .

- 8.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 8.4 For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 8.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- 8.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.

9. RIGHT TO ACT ON BEHALF OF A HOLDER

- 9.1 If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 9.2 A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- 9.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 9.1 and 9.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

10. PAYMENTS IN RESPECT OF THE BONDS

- 10.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 10.2 If a Bondholder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a

certain bank account; such deposits will be effectuated by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.

- 10.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 11.4 during such postponement.
- 10.4 If payment or repayment is made in accordance with this Clause 10, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware that the payment was being made to a Person not entitled to receive such amount.
- 10.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

11. INTEREST

- 11.1 The Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Issue Date up to and including the relevant Redemption Date.
- 11.2 Interest accrues during an Interest Period. Subject to the Intercreditor Agreement, payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 11.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 11.4 If the Issuer fails to pay any amount payable by it under these Terms and Conditions on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

12. REDEMPTION AND REPURCHASE OF THE BONDS

12.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day and if permitted under the CSD's

applicable regulations, on the Business Day following form an application of the Business Day Convention, and otherwise on the first following Business Day) with an amount per Bond equal to 106.00 per cent. of the Nominal Amount together with accrued but unpaid Interest.

12.2 **The Group's purchase of Bonds**

Each Group Company may, subject to applicable law, at any time and at any price purchase Bonds. Bonds held by a Group Company may at such Group Company's discretion be retained or sold but not cancelled, except in connection with a redemption of the Bonds in full.

12.3 **Voluntary partial redemption**

12.3.1 The Issuer may at one occasion per each period of twelve (12) months falling after the First Call Date redeem the Bonds in an aggregate amount not exceeding ten (10.00) per cent. of the aggregate Nominal Amount. Any such partial redemption shall reduce the Nominal Amount of each Bond *pro rata* (rounded down to the nearest SEK 1) in accordance with the procedures of the CSD.

12.3.2 The redemption price for each Bond redeemed pursuant to Clause 12.3.1 shall be the lower of:

- (a) the Call Option Amount for the relevant period; and
- (b) one hundred and two (102.00) per cent. of the Nominal Amount,

in each case together with accrued but unpaid Interest.

12.3.3 A partial repayment shall be made by the Issuer giving not less than ten (10) Business Days' notice and the repayment shall be made on the next Interest Payment Date following such notice.

12.4 **Early voluntary redemption by the Issuer (call option)**

12.4.1 The Issuer may redeem all or part of the Bonds on any Business Day falling on or after the Issuer Date but before the Final Redemption Date, at the Call Option Amount together with accrued but unpaid Interest. Any partial redemption shall reduce the Nominal Amount of each Bond *pro rata* (rounded down to the nearest SEK 1) in accordance with the procedures of the CSD.

12.4.2 Redemption in accordance with Clause 12.4.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

12.5 **Early redemption due to illegality (call option)**

12.5.1 The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

- 12.5.2 The applicability of Clause 12.5.1 shall be supported by a legal opinion issued by a reputable law firm.
- 12.5.3 The Issuer may give notice of redemption pursuant to Clause 12.5.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem the Bonds in full at the applicable amount on the specified Redemption Date.
- 12.6 **Mandatory repurchase due to a Change of Control, Delisting or a Listing Failure (put option)**
- 12.6.1 Upon a Change of Control, Delisting or a Listing Failure occurring, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) calendar days following a notice from the Issuer of the relevant event pursuant to paragraph (b) of Clause 13.3 (*Information undertakings*). The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control or the Listing Failure (as applicable).
- 12.6.2 The notice from the Issuer pursuant to paragraph (b) of Clause 13.3 (*Information undertakings*) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph (b) of Clause 13.3 (*Information undertakings*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 12.6.1.
- 12.6.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 12.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 12.5 by virtue of the conflict.
- 12.6.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 12.6, if a third party in connection with the occurrence of a Change of Control, Delisting or a Listing Failure offers to purchase all Bonds in the manner and on the terms set out in this Clause 12.6 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 12.6, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.
- 12.6.5 No repurchase of Bonds pursuant to this Clause 12.6 shall be required if the Issuer has given notice of a redemption pursuant to Clause 12.4 (*Early voluntary redemption by the Issuer (call option)*) provided that such redemption is duly exercised.

12.6.6 Any Bonds repurchased by the Issuer pursuant to this Clause 12.5 may at the Issuer's discretion be retained, sold or cancelled in accordance with Clause 12.2.

12.7 **Mandatory redemption due to failure to fulfil the Conditions Precedent**

12.7.1 If:

- (a) the Conditions Precedent have not been fulfilled within nine (9) months from 4 July 2019; or
- (b) the Acquisition is terminated,

the Issuer shall redeem all Bonds at a price equal to one hundred and one (101.00) per cent., of the Nominal Amount together with any accrued but unpaid Interest.

12.7.2 The redemption of the Bonds shall (i) be executed on the first Interest Payment Date (taking into account the rules and regulations of the CSD) and (ii) be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent, where such notice shall state the relevant Interest Payment Date on which the redemption shall be made, the redemption amount and the relevant Record Date.

13. **INFORMATION UNDERTAKINGS**

13.1 **Financial Reports**

The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than four (4) months after the expiry of each financial year;
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than two (2) months after the expiry of each relevant interim period; and
- (c) prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm or any other Regulated Market on which the Issuer's securities from time to time are listed (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (if applicable and as amended from time to time).

13.2 **Compliance Certificate**

13.2.1 The Issuer shall issue a Compliance Certificate to the Agent signed by the CEO, CFO or any other duly authorised signatory of the Issuer:

- (a) when a Financial Report is made available;

- (b) in connection with the testing of an Incurrence Test; and
- (c) at the Agent's reasonable request, within twenty (20) calendar days from such request.

13.2.2 In each Compliance Certificate, the Issuer shall:

- (a) so far as it is aware, certify that no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if provided in connection with the testing of the Incurrence Test, certify that the Incurrence Test is met and including calculations and figures in respect of the Incurrence Test;
- (c) if provided in connection with a Financial Report, certify that the Maintenance Test was met on the relevant Quarter Date; and
- (d) if provided in connection with the Group's annual audited consolidated Financial Report:
 - (i) include a list of Material Group Companies and confirmation of additional entities required to accede as Guarantors (if any) for the purpose of Clause 15.9 (*Guarantors*); and
 - (ii) confirm compliance with Clause 15.5 (*Clean down period*).

13.3 **Information: Miscellaneous**

The Issuer shall:

- (a) keep the latest version of these Terms and Conditions (including documents amending the Terms and Conditions) available on its website;
- (b) promptly notify the Agent (and, as regards a Change of Control, a Delisting or a Listing Failure, the Bondholders) upon becoming aware of the occurrence of a Change of Control, a Delisting, a Listing Failure or an Event of Default, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice (including, for the avoidance of doubt, calculations, figures and supporting documents in respect of the Maintenance Test); and
- (c) notify the Agent of any transaction referred to in Clause 15.12 (*Disposals of assets*) and shall, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

14. FINANCIAL COVENANTS

14.1 Maintenance Test

14.1.1 The Maintenance Test shall be tested on each Quarter Date for as long as any Bond is outstanding. The first test date for the Maintenance Test shall be the first Quarter Date falling after the Closing Date.

14.1.2 The Maintenance Test is met if Cash exceeds ten (10.00) per cent. of the aggregate Nominal Amount of the Bonds.

14.1.3 The Maintenance Test shall be calculated on basis of the interim consolidated Financial Report for the period ending on the relevant Quarter Date and on the basis of the Compliance Certificate delivered in connection therewith.

14.2 **Incurrence Test**

14.2.1 The Incurrence Test shall be tested in connection with the incurrence of a Capex Facility.

14.2.2 The Incurrence Test is met if:

- (a) the Leverage Ratio (in each case calculated in accordance with this Clause 14.2) is less than:
 - (i) from (and including) the Issue Date to (and including) the date falling two (2) years thereafter, 4.00:1; and
 - (ii) from (and excluding) the date falling two (2) years after the Issue Date to (and including) the date falling three (3) years after the Issue Date, 3.00:1; and
 - (iii) thereafter, 2.50:1; and
- (b) no Event of Default is continuing or would occur upon the incurrence (taking the Capex Facility into account on a *pro forma* basis).

14.2.3 The figures for Consolidated EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test (as applicable), but adjusted so that (without double counting):

- (a) the consolidated earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of any entities acquired by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included, *pro forma*, for the entire Reference Period;
- (b) the consolidated earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of any entities disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be excluded, *pro forma*, for the entire Reference Period;
- (c) the consolidated earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period; and
- (d) for each Reference Period ending on a Quarter Date which is less than twelve (12) months after the Closing Date, Consolidated EBITDA shall, to the extent required to calculate Consolidated EBITDA on an LTM basis, be calculated by reference to the amount of Consolidated EBITDA as disclosed in the consolidated financial reports of the Target Group.

14.2.4 The figures for Net Interest Bearing Debt and Finance Charges for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test (as applicable), but shall be:

- (a) calculated *pro forma* including the new Financial Indebtedness provided that such Financial Indebtedness is an interest bearing obligation
- (b) reduced to reflect any Net Interest Bearing Debt attributable to a disposed entity or which has been repaid, repurchased or otherwise discharged as a result of or in connection with a disposal of an entity (to the extent such Net Interest Bearing Debt is included in the relevant financial statements);
- (c) increased on a *pro forma* basis by an amount equal to the Net Interest Bearing Debt directly attributable to:
 - (i) any Financial Indebtedness owed by acquired entities; and
 - (ii) any Financial Indebtedness incurred to finance the acquisition of entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant test period; and
- (d) increased on a *pro forma* basis by an amount equal to the Net Interest Bearing Debt directly attributable to any Financial Indebtedness incurred, calculated as if such debt had been incurred at the beginning of the relevant Reference Period,

however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce Net Interest Bearing Debt.

15. GENERAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the undertakings set forth in this Clause 15.

15.1 Distributions

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
 - (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
 - (ii) pay any management, advisory or other fee to or to the order of any direct or indirect shareholder of the Issuer or the Affiliates of such direct and indirect shareholders;
 - (iii) redeem, repurchase, defease, retire or repay any of its share capital, or resolve to do so;
 - (iv) grant any loans to any direct or indirect shareholder of the Issuer or the Affiliates of such direct and indirect shareholders; or
 - (v) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's or its Subsidiaries' direct and indirect shareholders or the Affiliates of such direct and indirect shareholders.
- (b) Paragraph (a) does not apply to a Permitted Payment.

15.2 **Admission to trading**

The Issuer shall ensure that:

- (a) the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm within twelve (12) months of the Issue Date or, if such admission to trading is not possible to obtain or maintain, that such Bonds are admitted to trading on any other Regulated Market within twelve (12) months after the Issue Date; and
- (b) the Bonds, once admitted to trading on a Regulated Market continue being listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

15.3 **Nature of business**

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

15.4 **Financial Indebtedness**

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur any new Financial Indebtedness, or maintain or prolong any existing Financial Indebtedness, provided however that the Group Companies have a right to incur, maintain and prolong Financial Indebtedness which constitute Permitted Financial Indebtedness.

15.5 **Clean down period**

The Issuer shall procure that during each calendar year there shall be a period of five (5) consecutive days during which the aggregate amount outstanding under any revolving credit facility or overdraft facility of the Group, less Cash, amounts to zero (0) or less. Not less than three (3) months shall elapse between two such periods. Compliance shall be confirmed in the Compliance Certificate issued together with each of the Group's annual audited consolidated Financial Reports.

15.6 **Loans out**

The Issuer shall not, and shall procure that no other Group Company will, extend any loans in any form to any other party, save for:

- (a) to other Group Companies (subject to the Issuer providing Security to the Secured Parties over any such loan to any other Group Company); or
- (b) in the ordinary course of trade of the relevant Group Company.

15.7 **Negative Pledge**

The Issuer shall not (and shall procure that no Group Company will) create or allow to subsist, retain, provide, prolong or renew any Security over any of its assets (present or future) to secure any Financial Indebtedness, provided however that the Group Companies have a right to create or allow to subsist, retain, provide, prolong and renew any Permitted Security.

15.8 **Maintenance Test**

The Issuer shall ensure that the Maintenance Test is met on each Quarter Date following the Closing Date.

15.9 **Guarantors**

The Issuer shall procure that:

- (a) on or prior to the date falling one hundred and twenty (120) calendar days after the Closing Date, the Agent is provided with a Compliance Certificate setting out each Material Group Company and any other Group Company that is otherwise required to accede to the Guarantee Agreement pursuant to Clause 6.2 (*Guarantors*), and that each such Material Group Company and other Group Company (as applicable) accedes to the Guarantee Agreement as a Guarantor and to the Intercreditor Agreement as an ICA Group Company, that Transaction Security is granted over the shares in each such Group Company and its assets in accordance with Clause 6.1 (*Transaction Security*) and that conditions precedent and legal opinions are delivered in accordance with the Guarantee Agreement; and
- (b) each Group Company that is specified as a Material Group Company in a Compliance Certificate relating to the annual consolidated Financial Report of the Group, or each other Group Company that is otherwise required to accede to the Guarantee Agreement pursuant to Clause 6.2 (*Guarantors*), accedes to the Guarantee Agreement as a Guarantor and to the Intercreditor Agreement as an ICA Group Company, that Transaction Security is granted over the shares in such Group Company and its assets in accordance with Clause 6.1 (*Transaction Security*) and that conditions precedent and legal opinions are delivered in accordance with the Guarantee Agreement, as soon as practically possible, but in any event no later than ninety (90) Business Days from the date such Compliance Certificate was (or were supposed to be) delivered.

15.10 **Conditions Subsequent**

The Issuer shall procure that Clause 5.3 (*Conditions Subsequent*) is complied with.

15.11 **Disposal of assets**

- (a) The Issuer shall not, and shall procure that none of the Subsidiaries will sell, transfer or otherwise dispose of any material assets (whether individually or on an aggregated basis with other sold assets) unless the transaction is carried out in the ordinary course of business, provided that shares in a Group Company always shall be deemed to constitute material assets.
- (b) The Issuer shall, upon request by the Agent, provide the Agent with any information relating to the transaction, which the Agent deems necessary (acting reasonably).

15.12 **Dealings with related parties**

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

15.13 **Compliance with laws**

The Issuer shall, and shall procure that each Group Company, comply in all material respects with all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq Stockholm or any other Regulated Market or recognised unregulated market place on which the Issuer's securities from time to time are listed.

15.14 **Authorisations**

The Issuer shall, and shall procure that each Group Company, obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

15.15 **Agent Agreement**

15.15.1 The Issuer shall, in accordance with the Agent Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agent Agreement.

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

15.16 **CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all CSD regulation applicable to the Issuer from time to time.

16. **TERMINATION OF THE BONDS**

Each of the events or circumstances set out in this Clause 16 is an Event of Default (save for Clause 16.11 (*Termination*)).

16.1 **Non-payment**

The Issuer or a Guarantor fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is caused by administrative or technical error and payment is made within five (5) Business Days of the due date.

16.2 **Other obligations**

- (a) A Group Company does not comply with its obligations under the Finance Documents (other than those referred to in Clause 16.1 (*Non-payment*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of being remedied and is remedied within fifteen (15) Business Days of the earlier of:

- (i) the Agent giving notice to the Issuer; and
- (ii) the Issuer becoming aware of the non-compliance.

16.3 **Cross-acceleration**

- (a) Any Financial Indebtedness of a Material Group Company is not paid when due as extended by any originally applicable grace period.
- (b) Any Financial Indebtedness of a Material Group Company is declared to be due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) No Event of Default will occur under this Clause 16.3 if:
 - (i) the Financial Indebtedness is owed by a Group Company to another Group Company;
 - (ii) the aggregate amount of Financial Indebtedness falling within paragraphs (a) to (b) above is less than the lower of (i) SEK 50,000,000 (or its equivalent in any other currency or currencies) and (ii) the monetary threshold set out in any provision of the Super Senior RCF corresponding to this Clause 16.3 (which, for the avoidance of doubt, shall be construed as zero (0) if the corresponding provision of the Super Senior RCF does not contain a monetary threshold).

16.4 **Insolvency**

- (a) Any Material Group Company:
 - (i) is unable or admits inability to pay its debts as they fall due;
 - (ii) is declared to be unable to pay its debts under applicable law;
 - (iii) suspends making payments on its debts generally; or
 - (iv) by reason of actual or anticipated financial difficulties or illiquidity, commences negotiations with its creditors generally (except for the Secured Parties) with a view to rescheduling its Financial Indebtedness.
- (b) A moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.
- (c) No Event of Default will occur under this Clause 16.4 if the assets of the relevant Material Group Company, individually or in the aggregate, have a value of less than the lower of (i) SEK 50,000,000 (or its equivalent in any other currency or currencies) and (ii) the monetary threshold set out in any provision of the Super Senior RCF corresponding to this Clause 16.4 (which, for the avoidance of doubt, shall be construed as zero (0) if the corresponding provision of the Super Senior RCF does not contain a monetary threshold) calculated in accordance with the latest Financial Report (as applicable).

16.5 **Insolvency proceedings**

- (a) Any corporate action, legal proceedings or other procedures are taken in relation to:

- (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
 - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
 - (iii) any security interest securing Financial Indebtedness over any asset of any Material Group Company is enforced,
- or any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company.
- (b) Paragraph (a) shall not apply to:
 - (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) days of commencement or, if earlier, the date on which it is advertised; or
 - (ii) a solvent liquidation of any Group Company which is not an Obligor.
 - (c) No Event of Default will occur under this Clause 16.5 if the assets of the relevant Material Group Company, individually or in the aggregate, have a value of less than the lower of (i) SEK 50,000,000 (or its equivalent in any other currency or currencies) and (ii) the monetary threshold set out in any provision of the Super Senior RCF corresponding to this Clause 16.5 (which, for the avoidance of doubt, shall be construed as zero (0) if the corresponding provision of the Super Senior RCF does not contain a monetary threshold) calculated in accordance with the latest Financial Report (as applicable).

16.6 **Mergers and demergers**

The Issuer merges with any other Person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity.

16.7 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding the lower of (i) SEK 50,000,000 (or its equivalent in any other currency or currencies) and (ii) the monetary threshold set out in any provision of the Super Senior RCF corresponding to this Clause 16.7 (which, for the avoidance of doubt, shall be construed as zero (0) if the corresponding provision of the Super Senior RCF does not contain a monetary threshold) and is not discharged within sixty (60) calendar days.

16.8 **Impossibility or illegality**

- (a) It is or becomes impossible or unlawful for the Obligors to fulfil or perform any of the provisions of the Finance Documents which has a detrimental effect on the interests of the Bondholders or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

- (b) No Event of Default will occur under this Clause 16.8 due to illegality of the Issuer to perform its obligations under the Finance Documents:
 - (i) until expiry of the period for notice of redemption pursuant to Clause 12.5 (*Early redemption due to illegality (call option)*); and
 - (ii) if the Issuer has given notice of a redemption pursuant to Clause 12.5 (*Early redemption due to illegality (call option)*) and provided that such redemption is duly exercised.

16.9 Cessation of business

A Material Group Company ceases to carry on its business, except if due to:

- (a) a solvent liquidation of a Material Group Company other than the Issuer; or
- (b) a disposal, merger or demerger permitted pursuant to Clause 15.11 (*Disposals of Assets*),

and provided, in relation to a discontinuation of a Material Group Company other than the Issuer, that such discontinuation is likely to have a Material Adverse Effect.

16.10 Exit

An Exit is completed, other than through a Sale or an IPO in respect of Ellos Group Nordic.

16.11 Termination

- 16.11.1 Subject to the terms of the Intercreditor Agreement, if an Event of Default has occurred and is continuing the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Bondholder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction or decision pursuant to Clause 16.11.6 or 16.11.7, on behalf of the Bondholders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration).
- 16.11.2 The Agent may not terminate the Bonds in accordance with Clause 16.11.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under Clause 16.11.1.
- 16.11.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 16.11.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 16.11.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in

Clause 16.11.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 16.11.1 and provide the Agent with all documents that may be of significance for the application of this Clause 16.

- 16.11.5 The Issuer is only obliged to inform the Agent according to Clause 16.11.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with the relevant Regulated Market. If such a conflict would exist pursuant to the listing contract with the relevant Regulated Market or otherwise, the Issuer shall however be obliged to either seek the approval from the relevant Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 16.11.4.
- 16.11.6 If the Agent has been notified by the Issuer or has otherwise received actual knowledge that there is a default under the Finance Documents according to Clause 16.11.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or actual knowledge, the Bondholders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or actual knowledge, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Bondholders that there exists a right of termination and obtain instructions from the Bondholders according to the provisions in Clause 18 (*Decisions by Bondholders*). If the Bondholders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Bondholders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 16.11.7 If the Bondholders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 18 (*Decisions by Bondholders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Bondholders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 16.11.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 16, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 16.11.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 16 without relevant decision by the Agent or following instructions from the Bondholders' pursuant to Clause 18 (*Decisions by Bondholders*).
- 16.11.10 If the Bonds are declared due and payable in accordance with this Clause 16, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Amount for the relevant period (plus accrued but unpaid Interest).

17. DISTRIBUTION OF PROCEEDS

- 17.1 If the Bonds have been declared due and payable in accordance with Clause 16 (*Termination of the Bonds*) all payments by the Issuer or the Guarantors (as applicable) relating to the Bonds and any proceeds received form an enforcement of the Transaction Security shall be distributed in accordance with the Intercreditor Agreement.
- 17.2 If the Issuer or the Agent shall make any payment under this Clause 17, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 10.1 shall apply.

18. DECISIONS BY BONDHOLDERS

- 18.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 18.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 18.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (a) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (b) the suggested decision is not in accordance with applicable laws.
- 18.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 9 (*Right to act on behalf of a Bondholder*) from a Person who is, registered as a Bondholder:
- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
 - (b) on the Business Day specified in the communication pursuant to Clause 20.3, in respect of a Written Procedure,
- may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

- 18.5 The following matters shall require consent of Bondholders representing at least two thirds ($\frac{2}{3}$) of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 20.3:
- (a) waive a breach of or amend an undertaking set out in Clause 15 (*General undertakings*);
 - (b) except as expressly regulated elsewhere in the Intercreditor Agreement or the relevant Transaction Security Document, release any Transaction Security or Guarantee, in whole or in part;
 - (c) a mandatory exchange of Bonds for other securities;
 - (d) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
 - (e) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
 - (f) amend the provisions in this Clause 18.5 or Clause 18.6.
- 18.6 Any matter not covered by Clause 18.5 shall require the consent of Bondholders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 20.3. This includes, but is not limited to, any amendment to or waiver of the terms of any Finance Documents that does not require a higher majority (other than an amendment permitted pursuant to paragraph (a), (b), (c) or (d) of Clause 21.1), or a termination of the Bonds or the enforcement of the Transaction Security or the Guarantees in whole or in part.
- 18.7 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Bondholders' Meeting or the Agent in a Written Procedure, will prevail.
- 18.8 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20.00) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 18.9 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 19.1) or initiate a second Written Procedure (in accordance with Clause 20.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 18.8 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 18.10 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.

- 18.11 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 18.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under the Finance Documents, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 18.13 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- 18.14 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 18.15 If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 18.16 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

19. BONDHOLDERS' MEETING

- 19.1 The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons). If the Bondholder's Meeting has been requested by the Bondholder(s), the Agent shall send a copy of the notice to the Issuer.
- 19.2 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 19.1 with a copy to the Agent. After a request from the Bondholders pursuant to Clause 22.4.3, the Issuer shall no later than five (5) Business Days after receipt of

such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 19.1.

19.3 The notice pursuant to Clause 19.1 shall include:

- (a) the time for the meeting;
- (b) the place for the meeting;
- (c) an agenda for the meeting (including each request for a decision by the Bondholders); and
- (d) a form of power of attorney.

Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

19.4 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.

19.5 If the Agent, in breach of these Terms and Conditions, has not convened a Bondholders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the Bondholders' Meeting itself. If the requesting Person is a Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the register kept by the CSD and, if no Person to open the Bondholders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.

19.6 At a Bondholders' Meeting, the Issuer, the Bondholders (or the Bondholders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Bondholders' Meeting. The Bondholders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Bondholders' Meeting instead of the Bondholder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Bondholder.

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

20. WRITTEN PROCEDURE

20.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Bondholder(s), the Agent shall send a copy of the communication to the Issuer.

- 20.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 20.1 to each Bondholder with a copy to the Agent.
- 20.3 A communication pursuant to Clause 20.1 shall include (a) each request for a decision by the Bondholders, (b) a description of the reasons for each request, (c) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 20.1), (d) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (e) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 20.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 20.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the register kept by the CSD.
- 20.5 When the requisite majority consents of the Adjusted Nominal Amount pursuant to Clauses 18.5 and 18.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 18.5 or 18.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

21. AMENDMENTS AND WAIVERS

- 21.1 Subject to the terms of the Intercreditor Agreement, the Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in the Finance Documents, provided that such amendment or waiver:
- (a) is not detrimental to the interest of the Bondholders as a group;
 - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) is required by applicable law, a court ruling or a decision by a relevant authority;
 - (d) is necessary for the purpose of listing the Bonds on a Regulated Market provided such amendment or waiver does not materially adversely affect the rights of the Bondholders; or
 - (e) has been duly approved by the Bondholders in accordance with Clause 18 (*Decisions by Bondholders*).
- 21.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment or waiver to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- 21.3 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 21.1, setting out the date from which the amendment or waiver will

be effective, and ensure that any amendments to the Finance Documents are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

21.4 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

22. APPOINTMENT AND REPLACEMENT OF THE AGENT

22.1 Appointment of Agent

22.1.1 By subscribing for Bonds, each initial Bondholder:

- (a) appoints the Agent to act as its agent and security agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*), or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer including, for the avoidance of doubt, any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security or a Guarantee; and
- (b) confirms the appointment under the Intercreditor Agreement of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Transaction Security Documents, the Guarantees and the Guarantee Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security or a Guarantee and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Intercreditor Agreement.

22.1.2 By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 22.1.1.

22.1.3 Each Bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.

22.1.4 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

22.1.5 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as agent and security agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

22.1.6 The Agent may act as agent and/or security agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

22.2 Duties of the Agent

22.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security and the Guarantees pursuant to the Transaction Security Documents and the Guarantee Agreement on behalf of the Secured Parties and, where relevant, enforcing the Transaction Security or a Guarantee on behalf of the Bondholders. However, the Agent is not responsible for the contents, execution, legal validity or enforceability of the Finance Documents. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.

22.2.2 The Agent is not obliged to actively assess or monitor (i) the financial condition of the Issuer or any Group Company, (ii) the compliance by the Issuer of the Finance Documents (unless expressly set out in the Finance Documents) or (iii) whether an Event of Default (or any event that may lead to an Event of Default) has occurred or not. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.

22.2.3 The Agent may assume that any information, documentation and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such information, documentation or evidence. The Agent does not review any information, documents and evidence from a legal or commercial perspective of the Bondholders.

22.2.4 The Agent shall upon request by a Bondholder disclose the identity of any other Bondholder who has consented to the Agent in doing so.

22.2.5 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

22.2.6 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.

22.2.7 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.

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

22.2.9 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts

engaged (a) after the occurrence of an Event of Default, (b) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (c) when the Agent is to make a determination under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 17 (*Distribution of proceeds*).

- 22.2.10 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 22.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 22.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 22.2.13 The Agent shall give a notice to the Bondholders (a) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents, or (b) if it refrains from acting for any reason described in Clause 22.2.12.
- 22.2.14 The Agent's duties under the Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with the Terms and Conditions and upon instructions from the Bondholders, unless otherwise set out in the Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person.

22.3 **Limited liability for the Agent**

- 22.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 22.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 22.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as

reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

22.3.4 The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 18 (*Decisions by Bondholders*).

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

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

22.4 **Replacement of the Agent**

22.4.1 Subject to Clause 22.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

22.4.2 Subject to Clause 22.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

22.4.3 A Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.

22.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) calendar days after (a) the earlier of the notice of resignation was given or the resignation otherwise took place or (b) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

22.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

22.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

22.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action

which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

- 22.4.8 In the event that there is a change of the Agent in accordance with this Clause 22.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

23. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

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

24. APPOINTMENT AND REPLACEMENT OF THE CSD

- 24.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 24.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the listing of the Bonds listed on a Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (Sw. *lag (2007:528) om värdepappersmarknaden*).

25. NO DIRECT ACTIONS BY HOLDERS

- 25.1 A Bondholder may not take any steps whatsoever against the Issuer or a Subsidiary (including a Guarantor) or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or another Group Company in relation to any of the liabilities of the Issuer or a Subsidiary (including a Guarantor) under the Finance Documents. Such steps may only be taken by the Agent.
- 25.2 Clause 25.1 shall not apply if:

- (a) the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 22.1.2), such actions within a reasonable period of time and such failure or inability is continuing; or
- (b) the Security Agent has been instructed by the Instructing Group (as defined in the Intercreditor Agreement) in accordance with the Intercreditor Agreement to enforce the Transaction Security but is legally unable to take such enforcement actions,

however, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 22.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 22.2.13 before a Bondholder may take any action referred to in Clause 25.1.

- 25.3 The provisions of Clause 25.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 12.6 (*Mandatory repurchase due to a Change of Control, Delisting or a Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

26. TIME-BAR

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

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

27. NOTICES AND PRESS RELEASES

27.1 Notices

- 27.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;

- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time;
- (c) if to a Guarantor, shall be given to the address stated in the relevant Guarantee or such other address notified by such Guarantor to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by that Guarantor to the Agent from time to time; and
- (d) if to the Bondholders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.

27.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 27.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 27.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 27.1.1.

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

27.2 **Press releases**

27.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 12.3, 12.5, 13.3(b), 16.11.6, 17.2, 18.16, 19.1, 20.1, 21.3, 22.2.13 and 22.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

27.2.2 In addition to Clause 27.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

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

28.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

- 28.2 The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 28.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.
- 28.4 The provisions in this Clause 28 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

29. GOVERNING LAW AND JURISDICTION

- 29.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 29.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 29.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 29.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

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

Place:

The Issuer

Ellos Group AB (publ)

Name:

Name:

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

Place:

The Agent

Nordic Trustee & Agency AB (publ)

Name:

Name:

SCHEDULE 1 AGREED SECURITY PRINCIPLES

1. The Super Senior Creditors and the Bondholders shall be granted security over same assets and guarantees from the same entities, but the rights of the Bondholders shall rank after and be subordinated to the rights of the Super Senior Creditors in accordance with the principles set out in the Intercreditor Agreement.
2. General statutory limitations, financial assistance, corporate benefit, fraudulent preference, thin capitalisation rules and retention of title claims and similar principles may limit the ability of a Group Company to provide a guarantee or security or enter into subordination arrangements, or may require that such guarantee, security or subordination arrangement is limited by an amount or otherwise, provided that the relevant Group Company must use reasonable endeavours to overcome any such obstacle to the extent possible and practicable and if it can be done at a cost which is not disproportionate to the benefit of the Secured Parties obtaining the Security.
3. The Issuer and the Guarantors shall not be under an obligation to grant Guarantees or Transaction Security over any assets which would impose a stamp duty, taxes, notary fees, translation fees, registration fees or similar costs or charges on any Group Company or the Agent unless such costs amounts to less than SEK 100,000. Furthermore, a Guarantor incorporated in Sweden shall not be obliged to increase the amount of any business mortgage certificate (*Sw. företagsinteckningsbrev*) or issue any new business mortgage certificate as long as that would trigger stamp duty under Swedish law.
4. Group Companies will not be required to give guarantees or enter into Transaction Security Documents if it would conflict with the mandatory fiduciary duties of their directors or contravene any legal prohibition or result in a material risk of personal or criminal liability on the part of any officer or director (in each case as confirmed by a reputable local legal counsel in such jurisdiction) provided that the relevant Group Company must use reasonable endeavours to overcome any such obstacle the extent that that can be done at reasonable cost.
5. Any assets subject to pre-existing third party arrangements which are permitted by the Finance Documents or any other contractual restrictions on assignments and which prevent those assets from being charged, will be excluded from any relevant Transaction Security Document but the Group Company must use reasonable endeavours to obtain consent to charging any such assets if the relevant asset is material.
6. The Transaction Security Documents shall operate to create security rather than to impose any new commercial obligations and shall, accordingly, not contain additional or duplicate representations or undertakings to those contained in these Terms and Conditions or in the Super Senior RCF unless required for the creation, perfection, ranking or preservation of the security and shall not be unduly burdensome on the Group Company or interfere unreasonably with the operation of its business.
7. Perfection of security will not be required if it would materially adversely affect the commercial reputation or ability of the relevant Group Company to conduct its operations or business in the ordinary course.

8. No perfection action will be required in jurisdictions where Group Companies are not located.
9. Transaction Security will not be enforceable until an Event of Default has occurred and is continuing and (i) the relevant agent has given notice of acceleration under the relevant finance document and (ii) the relevant agent has given notice of its intention to enforce in accordance with the relevant Transaction Security Document.
10. In case the ownership to security assets is transferred to a Secured Party (or any of their Affiliates) (or a Secured Party or the Security Agent has taken control over the security assets as a stage of the enforcement process), the fair market value of the transferred security assets, supported by independent valuation, shall be set off against the Secured Obligations.
11. The Secured Parties shall only be able to exercise any powers of attorney (including, but not limited to, in respect of voting rights appertaining to any shares) granted under any Transaction Security Document or have the right to receive any dividends if an Event of Default has occurred and is continuing and any such power of attorney shall only be issued upon request and upon the occurrence of an Event of Default.
12. The Issuer and the Guarantors shall be permitted to pay interest (but not principal) in relation to any Material Intra-Group Loans being subject to Transaction Security unless an Event of Default has occurred and is continuing.
13. The Issuer and the Guarantors shall not be under an obligation to grant any Transaction Security or Guarantee if there is a requirement for such company or the Agent to obtain or maintain licenses, permissions, establish a place of business or similar in any jurisdiction for the purpose of granting or holding such Transaction Security or Guarantee (as confirmed by a reputable local legal counsel in such jurisdiction).
14. The Issuer and the Guarantors shall not be under an obligation to grant any Transaction Security or Guarantee if there is a requirement for such company or its shareholder or the Agent to deposit cash or capitalise the relevant Guarantor in any jurisdiction for the purpose of granting or holding such Transaction Security or Guarantee (as confirmed by a reputable local legal counsel in such jurisdiction).
15. An acknowledgement, countersignature or confirmation on a notice of pledge or similar to be delivered in connection with the granting of Transaction Security or Guarantee by another party than a Group Company shall only be required to be collected and delivered by the relevant Group Company on a best effort basis.
16. *Share security.* Subject to the Agreed Security Principles, security in respect of the shares in each Guarantor may be granted, provided that the pledgors in respect such security shall be entitled to exercise voting rights and receive dividends unless an Event of Default has occurred and is continuing.
17. *Business mortgages.* Subject to the Agreed Security Principles, security in respect of business mortgages may be granted by the Guarantors, provided that only security over existing business mortgage certificates shall be granted if the provision of new business mortgages are contrary to item 8 above.

18. *Security over receivables.* Subject to the Agreed Security Principles, security in respect of receivables (other than Swedish receivables) may be assigned or charged, unless notice to the debtors are required by local law to perfect the Security or such security is otherwise encompassed by any business mortgage.
19. *Material Intra-Group Loans.* The Issuer and the Guarantors shall not be under an obligation to grant Transaction Security over any claims pursuant to any cash pool arrangement or over any intra-group loans other than the Material Intra-Group Loans.
20. Notwithstanding anything to the contrary in the Finance Documents, if the Security Agent is not satisfied that it does not need to be resident, incorporated (including by way of a branch office), registered or authorised in any jurisdiction or deposit any funds in any jurisdiction where the Security Agent, at the time the relevant Transaction Security shall be granted, is not resident, incorporated (including by way of a branch office), registered or authorised in, the Security Agent shall have a right to (without consent from any Secured Party) waive the requirement in any Senior Finance Document to grant that Transaction Security. Satisfaction in this respect should either be through the inclusion of such statement in a legal opinion or by any other legal statement from a well reputable law firm which in form and substance is acceptable to the Security Agent (acting reasonably).

The Agent shall have a right to consult with a local legal counsel in a relevant jurisdiction in order to verify and confirm compliance with the Agreed Security Principles in relation to any Transaction Security and/or Guarantee. The costs for such local legal counsel shall be borne or reimbursed by the Issuer and the Agent is not required to seek the Issuer's confirmation or approval prior to engaging such local legal counsel.

Schedule 4
Warrants term sheet

PROJECT EVOLVE

Warrant Term Sheet

Ellos Group AB (publ) (the “**Issuer**”) has issued senior secured callable floating rate bonds in an aggregate amount of SEK 1,500,000,000 (the “**Bonds**”). Cidron Elbe Sarl, a holding company controlled by Nordic Capital CV 1 (the “**Lead Investor**”), owns 100% of the shares of the Issuer. As part of a contemplated written procedure to request the bondholders under the Bonds (the “**Bondholders**”) to vote in favour of certain amendments to the terms and conditions of the Bonds, the Bondholders will be offered to subscribe for warrants in the Issuer (the “**Warrants**”). The purpose of the Warrants is to achieve an equity participation arrangement between the Lead Investor and the Bondholders, whereby the holders of Warrants (the “**Warrant Holders**”) will be entitled to receive 15 per cent. of the net proceeds otherwise payable to the Lead Investor from a potential future exit of the Ellos group, as further detailed below.

This term sheet sets out the principal terms of the Warrants, as well as the distribution of proceeds on the shares into which such Warrants may be exercised and converted upon a sale or listing of the Ellos Group, and will be substantiated in the articles of association of the Issuer and a separate warrant and/or shareholder agreement (the “**Agreement**”), contemplated to be entered into by and among each of the Warrant Holders and the Lead Investor.

Issue	Terms
Capital Structure	<p>The Issuer is capitalized by preference shares (the “Lead Investor Preference Shares”) and ordinary shares (the “Ordinary Shares”). Furthermore, the Issuer has issued warrants of two different series, which are held by employees and board members of the Ellos group (the “Employee Warrants”). The Employee Warrants can be exercised into ordinary shares (the “Employee Option Shares”) in the Issuer and may be exercised between 28 May and 28 June 2026 or in connection with an Exit (as defined below), whichever the earliest.</p> <p>The Warrants shall be issued to the Bondholders without any consideration and each Warrant will entitle the Warrant Holder to subscribe for one preference share of a new series in the Issuer in connection with an Exit (all such preference shares collectively, the “Option Preference Shares”).</p> <p>No additional Option Preference Shares shall be issued without the Warrant Holders’ consent and the rights attached to such Option Preference Shares shall not be amended without the Warrant Holders’ consent.</p> <p>The Warrants, as well as the Option Preference Shares, will be registered with Euroclear Sweden.</p>
Exit	<p>The Lead Investor may at any time initiate and conduct an IPO or a share or asset sale of Ellos Group Nordic AB (publ) (each an “Exit”). In case an Exit is made of Ellos Group Nordic AB (publ) indirectly (through the sale of shares in the Issuer or at a level further up in the ownership structure) or of substantially all of Ellos Group Nordic AB (publ)’s business, regardless of the corporate level of such transaction, it shall for the purpose of hereof be considered an Exit.</p> <p>The Warrant Holders will co-operate and take such steps as required by the Lead Investor to facilitate an Exit.</p> <p>Liabilities (other than certain several liabilities), costs and expenses reasonably (as determined in good faith by the Lead Investor) incurred by the Lead Investor or its affiliates in relation to an Exit will (unless borne by the Issuer and/or the group) be allocated between all holders of instruments in the Issuer so as to achieve the same economic effects as if they had been borne by the Issuer and/or the group (as applicable).</p>
Distribution of Exit Proceeds	<p>The Option Preference Shares will be entitled to receive a portion of the proceeds from an Exit that equals 15 per cent. of the aggregate proceeds distributed on the Lead</p>

Issue	Terms
	<p>Investor Preference Shares and the Ordinary Shares other than Employee Option Shares in accordance with the following formula (the “Option Preference Pro-Rata Share”):</p> <p><i>Option Preference Pro-Rata Share = 0,15 x Relevant Proceeds</i></p> <p>where “Relevant Proceeds” means the sum of (A) any proceeds resulting from an Exit that is distributed on the Preference Shares and the Ordinary Shares, less (B) any proceeds from an Exit which the Employee Option Shares are entitled to receive, in each case following deduction of any and all transaction costs relating to the Exit (including post-Exit liabilities and tax liabilities of the Issuer) and the repayment in full of all debt instruments under which the Issuer has any outstanding obligations, including the Bonds but excluding, however, the Lead Investor’s and certain of its affiliates’ and co-investors’ EUR 40 million settlement claim (including accrued but unpaid interest thereon) against the Issuer, any repayment of which shall be included in the Relevant Proceeds.</p> <p>If an Exit is completed through an IPO, the Option Preference Shares shall be entitled to receive the Option Preference Pro-Rata Share of the Relevant Proceeds realized in connection with the IPO and upon each relevant sell-down event thereafter until the Issuer no longer holds any shares in the listed entity, in each case to the extent the relevant event generates any Relevant Proceeds.</p>
Subscription for Bondholder Preference Shares	The subscription price for each Option Preference Share in the Issuer shall be equal to the quota value thereof (i.e. as close to zero strike as mandatory law permits).
Duration and Exercise of Warrants	The Warrants will have a duration of 100 years and shall be exercisable only upon an Exit, and shall, unless exercised, lapse upon completion of an Exit.
Power of Attorney	Warrant Holders will issue powers of attorney to a designated Warrant Holders’ representative to <i>inter alia</i> : (i) vote at all general meetings; (ii) conduct an Exit; and (iii) enforce or take other actions in accordance with the Agreement. A power of attorney for Exit matters will be included in the Agreement and the Warrant Holders will be required to issue voting powers of attorney upon their exercise of the Warrants.
Affiliate Transactions and Distributions	<p>Any transaction involving the issue of new equity instruments, shareholders’ contributions or shareholder loans between the Issuer or any of its subsidiaries, on the one hand, and the Lead Investor or an affiliate of the Lead Investor, on the other hand, shall be subject to approval by the Warrant Holders (not be unreasonably withheld).</p> <p>Other than in connection with, as part of or following an Exit, the Issuer is not permitted to make any payment of dividend or other distributions to its shareholders (or their affiliates).</p>
Governing Law	Swedish law.
Disputes	Arbitration administered by the SCC Arbitration Institute.

Schedule 5
Risk factors

RISK FACTORS

Prior to any decision regarding the Request, it is important to carefully analyse the risk factors considered to be of importance in relation to the Issuer and the Bonds, such as risks related to the Issuer's operations, the industry in which it operates, legal and regulatory risks, financial risks, and risks related to the Bonds and the Request. The risk factors currently deemed material in relation to the Issuer, the Bonds and the Request are described below. The description of the risk factors below is based on information available on 15 December 2023. The materiality of the risk factors has been assessed based on the probability of their occurrence and the expected magnitude of their potential adverse impact on the Issuer. In each category, the risk factors currently deemed the most material are presented first, but otherwise the risk factors are not ranked in any specific order of importance.

RISKS RELATED TO THE ISSUER'S OPERATIONS AND INDUSTRY

A prolonged period of weak macroeconomic conditions in the Nordic countries could adversely affect the demand for the Issuer's products

The Issuer is an e-commerce group which operates the e-stores Ellos, Jotex, Homeroom and the payment brand Elpy, targeting consumers in the Nordic region and neighbouring European countries. Through its e-stores, the Issuer offers fashion and home interior products under both its own and external brands. The industry in which the Issuer operates is affected by general market conditions for discretionary retail items generally. As a result, a number of macroeconomic conditions such as interest rates, inflation, employment levels, energy and fuel costs may affect the Issuer. Consumer confidence and spending typically decline during periods of weak economic conditions as disposable income is lower.

During 2022 and 2023, the global economy has been negatively affected by an increasing inflation in large parts of the world. To attempt to control high inflation, central banks have raised interest rates, including in the markets in which the Issuer operates. Tighter economic policies, including the higher interest rates, have left consumers with less discretionary income and forced to make trade-offs in their spending. The Issuer's assessment is that the e-commerce market in Sweden, which is the Issuer's largest market, has decreased during 2023, with a particularly weak development for home interior products, which are discretionary items. In line with this development, the Issuer's net sales decreased by 4.2 per cent during the three-months period ended on 30 September 2023 compared to the corresponding period during 2022, which the Issuer considers, to some extent, is explained by the reduced consumer spending in general. A prolonged period of weak macroeconomic conditions in the Nordic countries may therefore have an adverse effect on the Issuer's financial position and results of operations.

The markets for home interior products and fashion in which the Issuer operates are highly competitive and fragmented

Operating in the markets for home interior products and fashion, the Issuer faces severe competition from a diverse group of retailers, both local niche players and global e-commerce companies, including e-commerce fashion retailers with customer offerings similar to that of the Issuer, general e-commerce retailers trying to increase their presence across a range of categories including home interior products and fashion, offline-focused vertically integrated retailers and brands from Europe, as well as non-European companies seeking to establish a stronger presence on the local markets.

The Issuer's competitors may benefit from competitive advantages and gain market shares at the Issuer's expense. More specifically, competitors may have larger financial resources, stronger brands

or wider geographical reach than the Issuer and benefit from economies of scale to increase their presence and profitability. Competitors may also have more customer data or better analytics tools to be able to set relevant price points, improve site navigation and convert an increased number of visitors to the e-stores into customers. Competition is also relevant in terms of the level of integration of different payment solutions that improves the customer experience. Global retailers that operate with significant infrastructure and scale, may decide to focus more on the Nordic markets, including in the home interior and fashion segments, or companies in the same or similar industry as the Issuer that currently do not target the online home interior and fashion segments in the Nordics may decide to do so in the future, which could result in the Issuer losing business opportunities or market shares.

Generally, e-commerce companies are exposed to competition at a global level since consumers may take advantage of offerings in a wide range of different national and international companies and easily compare prices and assortment prior to making a purchase decision, which increases pricing competition. The level of competition varies between different geographies and product categories, whereby competitive factors include product assortment, delivery times, design, quality, price, understanding of customer behaviour and technical development.

The highly competitive environment may reduce the Issuer's market shares in the markets in which it operates and may consequently have an adverse effect on the Issuer's financial position and results of operations.

The Issuer's net sales are to a certain degree attributable to its offering of payment solutions and financial services

As part of its business model and customer offering, the Issuer offers payment solutions in the form of, amongst other, invoicing and payments in instalments which give the customer the opportunity to be granted a credit when purchasing the Issuer's products. The Issuer cooperates with Resurs Bank in relation to the financing and administration of such customer credits. Furthermore, the Issuer also markets consumer loans and related insurance products in cooperation with Resurs Bank (and other insurance companies in relation to other insurance products).

The cooperation with Resurs Bank regarding the Issuer's financial services is important to the Issuer's business. The factoring arrangements with Resurs Bank regarding the Issuer's point of sales financing options are valid until 30 June 2027 and the cooperation agreement regarding the marketing of private loans on behalf of Resurs Bank is valid until 30 June 2027. The agreements provide for customary termination rights, for example due to any material breach of contract which is not remedied within applicable grace periods. In addition, Resurs Bank is entitled to terminate the agreements if it is required due to a change of law or regulatory requirements beyond Resurs Bank's control. If the agreements are terminated, or if they were to expire without being extended or renewed, that could disrupt the Issuer's business, involve changes to functionalities and thereby negatively impact the Issuer's ability to offer certain payment options and other financial services. There is also a risk that any replacement of Resurs Bank would offer less beneficial terms and that the Issuer would need to incur additional expenses to procure and integrate such replacement.

The customer credits that are administered in cooperation with Resurs Bank generate significant revenues for the Issuer and account for a significant amount of the Issuer's net sales. Since the net sales deriving from the factoring arrangement are variable, the Issuer is indirectly exposed to credit risks, such as the customers' payment capacity and solvency and interest rate risks (see also "*Financial risks – The Issuer is exposed to credit risks, such as in relation to defaulting consumers*" and "*Financial risks – The Issuer is exposed to interest rate risks which may affect financial income and expenses, cash flow and/or profits*").

In relation to its administration of the Issuer's point of sales credits, Resurs Bank enjoys a certain degree of autonomy, regarding for example credit risk assessments and applied interest rates. There is a risk that Resurs Bank's interests may not be aligned with the Issuer's interests, which could have an adverse effect on the Issuer's business. Also, there is a risk that the proportion of customers who choose to pay through different forms of direct payments increases, causing the credit penetration rate to decrease. A reduced credit penetration rate is likely to adversely affect the Issuer's profitability and may have an adverse effect on the Issuer's financial position and results of operations.

The Issuer is exposed to risks associated with the use and functionality of its IT infrastructure, such as cyberattacks

The functionality, capacity and availability of the IT systems that the Issuer deploys are critical to be able to run its business operations. These IT systems comprise systems for sales and logistics, accounting and financial reporting, inventory and working capital management. The Issuer's IT operations are running on a hybrid on-prem/cloud set up. For some parts of its IT operations the Issuer is dependent on certain key third-party service providers, such as providers of cloud-based infrastructure. The use of third-party suppliers exposes the Issuer to certain risks, including the risk that critical service providers are unable to deliver their services at the agreed service levels. Any disruptions in the services provided by third-parties may negatively affect the Issuer's business operations.

Although the Issuer has secured technical redundancy solutions, the Issuer's IT systems may be subject to security incidents and unanticipated disruptions and the Issuer has also experienced such incidents and disruptions in the past, among others as a result of DDOS-attacks. As an example, a DDOS-attack occurred in December 2020, resulting in seven hours downtime of the Group's websites. Computer malware, viruses, and computer hacking and phishing attacks have become more prevalent in the industry in which the Issuer operates. The occurrence of any of these events could result in interruptions in the Issuer's ability to provide its products and services, and unauthorised access to, or alteration or loss of, business data. Moreover, any failure to maintain performance, reliability, security, and availability of the Issuer's e-store to the satisfaction of its customers may harm its reputation and its ability to retain existing customers and attract new customers, and the Issuer may incur significant costs in protecting against or remediating cyber-attacks, which would have adverse effects on its business and results. Any compromise of the Issuer's IT security could further expose the Issuer to litigation, civil penalties and adverse publicity that could have an adverse effect on the Issuer's business, reputation and results of operations (see also "*-Legal and regulatory risks - Unlawful processing of personal data may make the Issuer liable to pay regulatory fines or become subject to other legal sanctions*").

Certain key individuals and employees are critical to the Issuer's success and the loss of such individuals or failure to attract qualified personnel or senior executives may have an adverse effect

The Issuer considers that one of its strengths is its experienced management team and key employees. Several of the key employees have worked for the Issuer for many years and have long experience from the Issuer, as well as important know-how from the e-commerce industry in general. The Issuer is therefore dependent on its ability to attract and retain qualified personnel and senior executives. Competition for talent is particularly profound in relation to employees with tech experience in the retail industry, as the Issuer competes with many other employers for similar employees. The Issuer may need to incur significant costs to attract such employees and to retain its current key employees. The Issuer's ability to attract qualified personnel is dependent on factors such as the strength of its brand, terms of employment and localisation. There is also a risk that attempts from competitors to recruit the Issuer's employees result in loss of personnel or that the Issuer is forced to offer increased

compensation to its employees. If these risks are materialized, it could have an adverse effect on the Issuer's business and results of operations.

Effective and optimised systems and processes for logistics, deliveries and returns are fundamental for the Issuer to be competitive

In order for an e-commerce business to be successful, effective and optimised logistics management is fundamental. Packaging, outbound freight and receipt is carried out at, and consolidated to, the Issuer's warehouse facilities and logistics centers in Viared located in Borås, Sweden. The Issuer is exposed to risks associated with disruptions in machinery and logistics operations, due to for example fires, natural disasters or break-downs, which could substantially disrupt the Issuer's business. Property or business interruption insurances may not provide adequate coverage for such losses, and damages and disruptions caused by such events may therefore have an adverse effect on the Issuer's results and financial position. Furthermore, in order for the Issuer to continue to grow its business it may need additional logistics capacity. It is not certain that such additional logistics capacity is available by way of expanding the Issuer's current facilities in Viared, and the need for any additional logistics capacity may therefore require additional investments. Furthermore, the Issuer may not be able to achieve the intended economies of scale from its logistics operations. If the Issuer does not manage to operate and optimise its logistics in a successful and efficient manner, it could result in excess or insufficient logistical capacity and increased costs, which in turn could have an adverse effect on the Issuer's financial position and results of operations.

Similarly, it is critical for the Issuer to have effective transportation between its storage facilities in Viared and from its logistics centers in Viared to customers or, where drop shipping is used, on the third-party shipping the product directly to the customer. Transportation to the Issuer's customers of products from the Issuer's warehouses primarily involves road transport. All transportation is handled by external logistics companies, such as PostNord. Disruption in transportation may, amongst other things, increase the delivery time to customers. Transportation costs may also increase, which may result in increased freight costs for the Issuer, including increased costs for customer returns. As e-commerce companies are continuously developing their businesses and customer experience, the delivery to the customer's home, workplace or other preferred delivery location, so-called "last-mile" delivery, is becoming increasingly relevant. If the Issuer, including its drop shipping partners, would be unable to manage transportation and delivery to customers in a cost-efficient and sustainable way according to the customers' delivery preferences, it may have an adverse effect on the Issuer's customer retention, Net Promoter Score (NPS)¹ and net sales.

Effective returns with attractive terms for consumers are also a key factor in the e-commerce sector. Returns are typically high in the fashion segment and it is both time consuming and costly for the Issuer to handle returns in a manner that is satisfying, both from the customers' perspective and from a sustainability perspective. If the Issuer would fail to handle returns in an efficient manner and to meet its customers' expectations, or if the return rate would increase for any reason, such as changed customer behaviour or customers' taking advantage of the Issuer's return policies, it could lead to higher costs and negatively affect the Issuer's Net Promoter Score, and in turn negatively affect the Issuer's financial position and results of operations.

Demand for fashion is affected by consumer trends as well as seasonality and weather conditions

¹ Net Promoter Score is a widely used market study metric that typically is based on the form of a single survey question asking respondents to rate the likelihood that they would recommend a company, product, or a service to a friend or colleague.

The Issuer must be able to predict and adapt to rapidly changing trends and consumer demands in a timely manner, particularly in relation to the fashion segment. Whilst the Issuer does not primarily focus on the very latest fashion trends, consumer preferences regarding design, quality, sustainability and price tend to change rapidly and the Issuer may fail to accurately forecast the selection and demand for such products in future periods. Also, a selling point in the Issuer's offering is a wide selection of products in various categories and styles within the fashion and home interior segments which places demands on its stock. If the Issuer fails to predict or adapt to fashion trends in a timely manner, it may result in overstocking or understocking of products, resulting in inventory obsolescence. As of 30 September 2023, the Issuer's inventories amounted to SEK 722.5 million.

The demand for the Issuer's products, particularly the clothing buying behaviour, fluctuates over the course of the calendar year according to seasonality. Weather conditions during a certain period of time may affect the demand for seasonal clothes and may make merchandising campaigns less efficient if not aligned with the weather and outdoor conditions. For example, if during a calendar year, the Nordic summer season would continue into the autumn, it is likely that such weather conditions could have an adverse effect on the net sales of autumn fashion during the relevant period.

The lead times for the Issuer's products vary between external brands, in season products and contemporary fashion products. The demand for products can change significantly between the time when products are ordered or manufactured and the date of sale. Competitors may place orders more frequently and have shorter lead times and may thus be more adaptable to shifts in trends and consumer demand. In light of the above, the Issuer faces the risk of not having the appropriate selection or the required quantities of products in order to satisfy customer demand. This may further cause the Issuer to carry excess inventory which the Issuer might be unable to sell during the relevant selling seasons, or only by offering significant discounts. This may result in lost sales opportunities, sales at lower margins than predicted and/or write-offs on inventories.

The Issuer is subject to risks related to sustainability, including due to regulatory developments

In recent years, a clear trend among consumers has been an increased focus on sustainability, which in the home interior and fashion industry is expressed in the form of requirements on the choice of material, recycling and quality, but also suppliers, transport and general environmental awareness. Focus on sustainability is not only driven by consumer awareness but also underpinned by increased efforts by lawmakers and regulators to put pressure on different industries to raise their sustainability standards. An increased focus on sustainability may include a generally reduced consumption of for example fashion products. The Issuer's ability to conduct long-term profitable operations is dependent on the Issuer succeeding in addressing and managing the sustainability-related risks to which the Issuer is subject. The Issuer's sourcing of products from developing and low manufacturing cost countries such as China, India and Bangladesh results in, for example, the Issuer being subject to risks as regards sustainability factors related to social, product related and environmental aspects such as human rights, working conditions, product quality and environmental issues as well as issuer relating to bribery and corruption.

The general living and working conditions in the countries in which the Issuer's own brand products are manufactured can also involve greater risk of one or more of the Issuer's suppliers acting in violation of the Issuer's code of conduct. If a supplier fails to meet the requirements set out in the code of conduct, there is a risk of adverse publicity and reputational damage to the Issuer, despite the Issuer choosing to discontinue its relationship with the supplier. In many developing and low manufacturing cost countries, there is also generally a greater risk of violations of laws and regulations regarding sustainability factors related to social, product-related and environmental aspects, such as human rights, working conditions, product quality and environmental issues as well as issues relating to bribery and

corruption. Such violations could result in fines or other criminal or administrative sanctions or civil law claims and have a material adverse impact on the Issuer's reputation, financial position and results of operations. Violations that are committed by, or allegations of such violations that are brought against, suppliers or other external parties with whom the Issuer has a commercial relationship may risk leading to adverse publicity, which can damage the Issuer's reputation, even if the Issuer is not involved in such incidents.

The Issuer's business impacts the environment, among other things through use of various natural resources such as oil and rubber as well as electricity, fuel, chemicals and water during the production process and in conjunction with goods transports. The Issuer is thus obliged, among other things, to apply certain environmental regulations. There is a risk that such regulations and environmental-related requirements will not be complied with by the Issuer's suppliers and that such violations will lead to prohibitions on sales, product recalls, environmental fines and, in case of serious offences, the Issuer's environmental footprint thus risks resulting in significant costs, adverse publicity and reputational damage.

The Issuer may fail to successfully market its products and drive traffic to its e-stores through digital marketing channels

Consumer demand for the Issuer's products is partly affected by the strength of the Issuer's brands, which in turn is affected by the Issuer's advertising, PR, marketing and corporate profile. The Issuer's spending on marketing amounted to SEK 675.2 million during 2022. The marketing activities served primarily to strengthen the brands in accordance with the Issuer's overall brand policies and to influence on consumer's buying behaviour. There is a risk that the Issuer's marketing and communication campaigns will fail to be successful in terms of promoting and maintaining brand awareness, resonating with consumers, generating traffic to its online stores, or stimulating purchases and maintaining customer loyalty. This may result in low conversion rates, decreased customer satisfaction and have an adverse effect on the Issuer's financial position and results of operations.

The e-commerce industry has become increasingly data-driven and based on automation and personalisation of marketing and offerings. These technologies allow companies to use data to target advertising towards specific groups of users who are more likely to be interested in the advertising message delivered to them. These technologies may fail to direct traffic to the Issuer's e-stores for different reasons or such traffic may require additional marketing spending by the Issuer. A substantial driver of traffic to the Issuer's e-stores is traffic that is paid for, such as Google AdWords, and could also include search engine marketing (SEM) and search engine optimisation (SEO), retargeting, remarketing, and price comparison websites. The digital advertising market is dominated by a selected number of large companies, including Google and Facebook, and the Issuer is therefore to some extent dependent on such companies to drive traffic to its e-stores. If the Issuer fails to drive traffic to its e-stores through digital marketing channels, it may have an adverse effect on the Issuer's business, lead to increased costs for other types of marketing and have an adverse effect on the Issuer's financial position and results of operations.

Additionally, the use of technologies, such as cookies (both first-party and third-party), pixels, etc., for the purpose of automation and personalisation of marketing and offerings, is subject to regulatory requirements. Thus, the Issuer needs to, among other things, ensure that the consumers concerned are provided with clear and sufficient information and that valid consents are obtained (where necessary), in order to comply with applicable data protection requirements, see further in the section "*-Legal and regulatory risks - Unlawful processing of personal data may make the Issuer liable to pay regulatory fines or become subject to other legal sanctions*". Such regulatory requirements may also prevent the

Issuer from making use of certain external platforms to the full extent, and lead to demands on the Issuer to internally develop tools and functions to ensure compliance, which may result in additional costs.

The Issuer is exposed to fluctuations in the costs of goods sold

The Issuer's total costs of goods sold amounted to SEK 1,793.3 million during 2022 (SEK 1,167.5 million during January – September 2023 which is a decrease by 7.7 per cent) and related to, among others, costs of goods for resale as well as shipping and packaging. The Issuer's products are to a significant extent manufactured in Asia with the largest volumes produced in China, India and Bangladesh. Costs of goods sold are, among others, dependent on the price of commodities, as the Issuer does not have any fixed price agreements, in particular the price of cotton and oil, which may be subject to significant fluctuations. Such commodities are priced in the global market and the prices are primarily quoted in USD. The price volatility is primarily due to fluctuating customer demand, supply and speculation, which may, from time to time, be compounded by decreases in production due to natural disasters, political or financial instability or unrest. Since the Issuer purchases products from across the world, the Issuer is exposed to risks in relation to transportation of such goods from suppliers to the Issuer's warehouses in Borås, Sweden. Transportation of the Issuer's products from suppliers to the Issuer's warehouses primarily involves sea freight (over 95 per cent of volumes), with road freight used for shorter distances. Use of air freight is rare and accounted for 0.43 per cent of the Issuer's incoming transport in 2022. There is a risk that transportation is not available at reasonable costs, in time or at all. If any increase in costs for goods sold could not be forwarded to the end customer, increased costs of goods sold may have an adverse effect on the Issuer's financial position and results of operations.

The Issuer is exposed to risks connected to its purchasing and to failures by suppliers in relation to their obligations towards the Issuer

The Issuer does not have any own production and its products are to a significant extent manufactured in Asia, with the largest volumes being produced in China, India and Bangladesh. The Issuer uses, and is to some extent dependent on, third-party services by Global Sustainable Sourcing (GSS), which is the Issuer's main sourcing agent. Recent geopolitical challenges, including the Covid pandemic and Russia's invasion of Ukraine, have manifested the vulnerability of global procurement and supply chains to similar pandemic outbreaks or other disruptive events on a global scale. As the Issuer to a significant extent sources its products from Asia, the Issuer is exposed to such events since the Issuer cannot easily replace its current suppliers. Disruptions to the supply chain are therefore likely to adversely affect the Issuer's ability to operate its business and may, if they persist, have an adverse effect on the Issuer's net sales, lead to increased costs and decreased customer satisfaction if the Issuer is unable to deliver goods on time or offer the same range of products, and in turn have adverse effects on the Issuer's financial position and results of operations.

There is also a risk that the Issuer's suppliers are unable to fulfil their obligations to the Issuer. It is imperative for the Issuer's business and reputation that the Issuer's suppliers meet agreed production quotas, quality standards and delivery times. Although the Issuer makes systematic assessments of suppliers and requires all new suppliers to sign its code of conduct in order to ensure a responsible and sustainable supply chain, the Issuer neither has full insight into the manufacturing process nor the ability to monitor the manufacturing process on site. There is a risk that suppliers fail to adhere to the Issuer's code of conduct or that deficiencies occur in manufacturing or quality standards. The Issuer is also exposed to local conditions with regard to working environments and conditions. For example, if a supplier were to violate local labour laws or standards or offer substandard working conditions considered unacceptable in the Nordic or European countries, it may have an adverse effect on the Issuer's reputation and its brands.

Dissatisfaction with the Issuer's customer service could undermine customer retention

A satisfied and loyal customer base is crucial to the growth of the Issuer. The Issuer responds to customer complaints and questions by different means of communication. As per 30 September 2023, the Issuer had 38 individuals employed in its customer service department but the majority of the Issuer's customer service is outsourced externally. Even though the Issuer dedicates significant resources to its customer service, the Issuer may fail to handle consumer inquiries and complaints in a satisfactory manner. In 2022, the Issuer received approximately 850,000 customer service inquiries. Poorly handled complaints, or those perceived by the customer to be poorly handled, may have an adverse effect on customer satisfaction and loyalty, and thus affect the number of returning customers. If the Issuer fails to retain its customers due to poor customer service or customer dissatisfaction, this will have an adverse effect on the Issuer's net sales and future growth.

The Issuer is exposed to risks attributable to the purchase and resale of products from third-parties, such as product liability and reputational risks

The Issuer offers a very wide range of products within fashion and home interior, including beauty products and electronics. The products offered are both the Issuer's own products but also products from external brands. There is a risk that the products offered could cause damage or injuries to the Issuer's customers. Although the Issuer believes that its activities comply in all material respects with all applicable laws and regulations, the sale of defective products could result in recalls, product liability claims and/or administrative fines against the Issuer or its management. The wide range of products offered in combination with the fact that many of the products offered are not the Issuer's own products can increase the risk of defective or harmful products being sold as it is difficult for the Issuer to effectively check all products and/or monitor the manufacturing thereof. Even if a recall of a certain product appears unfounded or if a claim against the Issuer is not successful, the negative publicity that goes along with it could have an adverse effect on the Issuer's business and brand reputation with existing and potential customers as a result of assertions that the Issuer's products are harmful or have hidden defects. Also, any negative publicity caused by allegations of poor working conditions in one or more of the factories where the Issuer's products are manufactured could harm the Issuer's reputation and brand. The realisation of any of these risks, separately or combined, could lead to increased costs and thereby have an adverse effect on the Issuer's financial position and results of operations.

The outcome of the ongoing dispute between the current and former shareholders of the Issuer may affect the ownership structure of the Issuer

As a result of the Issuer's former owner filing a petition to commence insolvency proceedings in Belgium, Nordic Capital (through its holding company Cidron E-Com Sarl) initiated a process in February 2022 to become the owner of the Issuer by way of a share pledge enforcement in respect of the shares in the Issuer. The ownership of the Issuer was transferred to Cidron E-Com Sarl in June 2022, following receipt of required regulatory approvals. As the new owner of the Issuer, Nordic Capital has stated its active support for the Issuer and its current business plan.

The appointed bankruptcy trustees of the former owner's bankruptcy estate have opposed the enforcement of the share pledge over the shares in the Issuer and have initiated legal proceedings against, among others, Cidron E-Com Sarl in Belgium. If the bankruptcy trustees would be successful in challenging the share pledge enforcement, the remedies available would be either restitution in kind of the shares in the Issuer or damages from Cidron E-Com Sarl. Thus, there is a risk that the shares of the Issuer would become subject to restitution in kind and be retransferred to the bankruptcy estate of the former owner, in the event that the trustees would be successful in their claim against Cidron E-Com Sarl. In this scenario, the shares of the Issuer would become an asset in the ongoing bankruptcy and could be subject to sales efforts by the bankruptcy trustees in order to realise the value of this asset and distribute the proceeds therefrom to the estate's creditors. There is a risk that such process and change of ownership could adversely affect the Issuer's operations and that the value that is realised for different

equity and debt investors of the Issuer would not be maximised upon a potential sale in the context of a bankruptcy.

LEGAL AND REGULATORY RISKS

The Issuer's financial services are regulated and subject to authorisations, and regulations may be amended to the Issuer's disadvantage

As further described below, the Issuer offers certain financial services to its customers in the form of granting of credits and insurance mediation. The provision of such financial services is subject to strict financial regulatory requirements and consumer protection rules. Since the Issuer conducts financial services across the Nordics, the Issuer is required to adhere to such requirements in several different jurisdictions, as well as consider the specific regulatory aspects that apply when offering financial services on a cross-border basis.

The credit granting activities conducted by the Issuer in the form of invoicing and instalment payments are, amongst other, subject to requirements on creditworthiness assessments and documentation. Such requirements entail that a company may only grant credits to a consumer that the relevant consumer can afford. The company granting the credits must thus assess if the consumer can repay the credit and afford the interest payable thereon. The requirements relating to documentation of consumer credits includes a requirement to provide the customer with certain pre-purchase information and certain requirements relating to the storing of the agreement. Non-compliance with these or other applicable regulatory requirements could result in supervisory actions from governmental authorities and could potentially affect the validity and enforceability of certain credit agreements, which could have a significant adverse impact on the Issuer's financial position and results of operations.

The Issuer's mediated insurances include, among others, payment protection insurance. The Issuer companies are tied insurance intermediaries and thus, contractually obliged to indemnify the insurer should any claims be made against the insurer as a result of any misselling by the Issuer or insufficient or inaccurate information provided by the Issuer to the customer. In addition, the mediation of insurances poses both reputational and conduct risks, should the mediation not be conducted in compliance with the applicable legislation and regulations. If any of these risks materialises this may have an adverse effect on the Issuer's financial position and results of operations.

The Issuer's subsidiary Ellos Denmark A/S is licensed by the Danish Financial Supervisory Authority (the "DFSA") according to requirements in the Danish Act on Consumer Credit Businesses (the "Consumer Credit Business Act") for companies that offer sales financing. As a result, Ellos Denmark A/S is subject to the supervision of the DFSA. Failure by the subsidiary to comply with or properly implement legal requirements may lead to sanctions being imposed or ultimately that the license is withdrawn. If the DFSA were to impose sanctions or ultimately withdraw the license for any reason, it could have a material adverse effect on the Issuer's net sales and results of operation, and in turn its financial position and ability to conduct its operations as currently conducted.

As mentioned above, certain consumer protection rules apply to the Issuer. During recent years, consumer protection matters have received increased attention from a regulatory perspective in the Nordic countries. As an example, on 3 July 2023, the Swedish Government published an official report on the Swedish consumer credit market, which included extensive proposals on measures to counteract risky lending and over-indebtedness, including measures to strengthen consumer protection in the marketing and sale of credits, tighter rules on assessment of creditworthiness, limitations and conditions for the pricing of credit, and a new main rule on set-off in case of distraint. It is proposed that most of these measures shall be implemented as amendments to the Swedish Consumer Credit Act (2010:1846) and enter into force on 1 January 2025. There is a risk that these and/or other new rules

and the application of such can lead to declining conversion rates and/or reduced credit penetration, which may have adverse effects on the Issuer's financial position and results of operations. Any new requirements introduced could also mean that the Issuer would become subject to additional authorisation requirements and/or stricter rules relating to operational capacity and risk management, which in turn would result in compliance costs and potentially changes to the current business model of the Issuer.

Furthermore, an amendment to the Swedish Payment Services Act entered into force on 1 July 2020 whereby a new provision on display of online payment solutions was introduced, which requires that non-credit payment options shall be presented ahead of payment options that involve a credit. The Issuer is subject to legal court proceedings against the Swedish Consumer Ombudsman for reasons relating to the interpretation of this amendment. The Issuer has successfully contested the Swedish Consumer Ombudsman's claim in the first court instance, but the court ruling has been appealed by the Consumer Ombudsman. Should the court rule in favour of the Swedish Consumer Ombudsman's claim, the Issuer will be required to present non-credit options ahead of its own deferred payment options. There is a risk that such presentation can lead to declining customer conversion rates and that fewer customers choose to utilise the deferred payment options, and thus negatively affect the Issuer's credit penetration. If this risk was to materialise, it may have adverse effects on the Issuer's financial position and results of operations.

Trade, import and export restrictions may cause adverse consequences for the Issuer's business

The Issuer mainly relies on suppliers in Asia, primarily located in China, India and Bangladesh. Trade restrictions, export restrictions or other restrictions imposed by the relevant jurisdictions or import restrictions imposed by the EU or Sweden may adversely affect the availability of components and products and the Issuer's costs of goods sold, among others. The Issuer's costs of goods sold may also be adversely affected by, for example, export or import subsidies, custom duties, textile quotas, embargoes and similar circumstances. Furthermore, the Issuer's sales may be affected by customs duties, for example when exporting e-commerce products to Norway. Potential restrictions may increase purchase prices and limit the supplies of goods, which could increase the Issuer's costs of goods sold and affect the Group's net sales which, in turn, could have an adverse effect on the Issuer's financial position and results of operations.

The Issuer may be unable to protect its intellectual property rights and could be at risk of infringing third-party intellectual property rights

The Issuer's success depends, among other things, on its ability to protect, register and enforce its intellectual property rights. The Issuer holds several own brands, such as Ellos, Jotex and Homeroom. The Issuer also holds certain domain names and other intellectual property rights. The strength of these own brands is a material asset for the Issuer. Furthermore, the Issuer offers designs and products from third-party brands on its e-stores.

Fashion designers and other designers tend to follow similar trends and the Issuer's own designs may therefore resemble the design of other designers and companies. Hence, other designers or companies may claim that the Issuer infringes their intellectual property rights. Furthermore, the Issuer is not in control of the products of third-party brands offered on its e-commerce sites and those third-party products could also potentially infringe intellectual property rights of other designers or companies. As all companies in the fashion industry, the Issuer is regularly subject to claims and disputes regarding infringements of third-party IPR rights in relation to products offered on the Group's websites. Furthermore, the Issuer's applications for registration of new trademarks are sometimes challenged.

The costs incurred in bringing or defending any infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Issuer may, among others, result in damages being payable and/or the Issuer being required to cease using any infringing intellectual property or embodiments of any such intellectual property.

Should the Issuer not be able to effectively protect its intellectual property rights, or fail to have proper third-party intellectual infringement indemnification rights in place in its supply agreements with the third-party brands, and/or should an infringement claim be brought against the Issuer, it could lead to increased costs and have an adverse effect on the Issuer's prospects, financial position and results of operations.

Changes to taxation or the interpretation or application of tax laws could have an adverse effect on the Issuer's business, financial condition and results

The Issuer's operations are conducted through subsidiaries in Sweden, Norway, Finland and Denmark and there are intra-group transactions to a varying extent between these companies. Tax laws may be changed and tax authorities in relevant countries may make judgments and decisions that differ from the Issuer's or its advisors' opinions regarding, for example, intra-group transactions, and such decisions may also have retroactive effect. Tax audits and investigations by Swedish and foreign tax authorities, for example, refer to assessments as to whether interpretation and application of laws and regulations in relation to direct and indirect tax were correct regarding current and past transactions or the Issuer's ongoing operations.

In the income tax return for the fiscal year 2020, the Issuer's subsidiary Ellos AB made a deduction of SEK 158.7 million and made an open disclosure in connection with the bankruptcy of multiple Belgian and Dutch entities ultimately owned by FNG NV. The cost incurred relates to a framework agreement for supply of goods between FNG Group NV (supplier) and FNG Nordic Buying Platform BV (with FNG Nordic Buying Platform BV acting on behalf of FNG Nordic AB and its subsidiaries, including Ellos AB) (purchaser). The deduction and a comment on this were reported in the tax return. In a reassessment decision on 19 October 2021, the Swedish Tax Agency announced that Ellos AB was denied deductions for these costs and the company was taxed with SEK 20.5 million and a tax surcharge of SEK 14.5 million. Ellos AB appealed the Swedish Tax Agency's decision, but the Swedish Tax Agency maintained its position in a reconsideration decision on 21 February 2023. The tax has been paid pending a decision regarding the appeal, while Ellos AB has been granted a respite to pay the tax surcharge. Ellos AB has appealed the Swedish Tax Agency's decision both in terms of the substantive issue and the tax surcharge. There is a risk that the Swedish Tax Agency will not amend its decision and that Ellos AB must pay tax surcharges of SEK 14.5 million.

If tax authorities carry out tax audits of companies within the Issuer, there is a risk that the Issuer's compliance with tax rules is questioned. There is also a risk that the Issuer will, by mistake or due to circumstances outside the Issuer's control, not comply with applicable tax regulations. Should any of these circumstances occur, it may lead to long-term litigation and to the Issuer being required to pay significant tax amounts, interests and other penalty charges. Tax audits and other audits by local tax authorities may also result in negative publicity, which may adversely affect the Issuer's reputation. Should the risks described above materialise, it could have an adverse effect on the Issuer's financial position and results of operations.

Unlawful processing of personal data may make the Issuer liable to pay regulatory fines or become subject to other legal sanctions

As part of its business operations, the Issuer handles large amounts of personal data on a daily basis of its approximately 5.6 million registered customers. Personal data collected in the course of the

business operations, as well as via the use of cookies on the web sites, is processed for several purposes, such as for analysis of user behaviour (profiling) in order to provide the customers with personalised offers. In relation to the credit and insurance mediation business, certain privacy sensitive categories of personal data are processed, such as personal data concerning creditworthiness processed in connection with credit checks.

The General Data Protection Regulation ("**GDPR**") sets out extensive compliance requirements, including obligations regarding transparency in relation to the data subjects, documentation of policies and procedures, contractual arrangements and notification of data breaches. These requirements affect personal data processing from its very commencement, that is the initial data collection, and are applicable to the continued processing of the personal data until it is erased or destroyed. The obligations under the GDPR require consistent internal monitoring and robust compliance frameworks, as well as adequate due diligence and contractual arrangements with third-party providers who process personal data on the Issuer's behalf. If the personal data processed is of privacy sensitive nature, the obligations to properly protect and maintain secrecy and integrity of the personal data are even higher.

Moreover, informed consent by the data subject is required for the placement of cookies and similar technologies on a user's digital device and for some types of direct electronic marketing. Regulators are giving increased attention to cookies and tracking technologies. Forthcoming European legislative proposals indicate that current national laws implementing the ePrivacy Directive are highly likely to be replaced by an EU regulation known as the ePrivacy Regulation. Changes in the laws or enforcement on the use of cookies and similar technologies could lead to costs, require systems changes and limit the effectiveness of the Issuer's marketing activities.

In order to ensure continuous compliance with the GDPR, the Issuer needs to dedicate specific internal resources – and to some extent engage external advisors – to for example monitor, assess, document and govern the Issuer's processing of personal data, which may be both time consuming and costly. Further, the Issuer's measures to maintain secrecy and integrity of personal data and protected information as well as the justification and lawfulness of the personal data processing could prove to be insufficient and the Issuer has for example previously experienced certain personal data breaches, of which certain have been reported to the relevant supervisory authorities and the Swedish Authority for Privacy Protection has requested the Issuer to provide certain information regarding potential unauthorised access to personal data.

Any failure, or perceived failure, by the Issuer to comply with regulations, industry standards or codes of conduct, regulatory guidance, orders to which the Issuer may be subject or other legal or contractual obligations relating to privacy, data protection, information security or consumer protection could adversely affect the Issuer's reputation, brand and business, and may result in claims, proceedings or actions against the Issuer by governments or others, and may result in significant fines and/or damages being payable, which could have a material adverse effect on the Issuer's financial position and results of operations, in addition to requiring the Issuer to change its operations and/or cease or modify certain data. The GDPR, and national legislation in EEA member states, impose a strict data protection compliance regime which contains stringent administrative fines of up to a maximum amount being EUR 20 million, or four per cent of a group's annual global turnover for the failure to comply with its rules of personal data protection.

The Issuer's governance, internal controls and compliance processes could fail to prevent regulatory penalties, reputational harm and fraud

The Issuer operates in a global environment and its activities straddle multiple jurisdictions and complex regulatory frameworks at a time of increased enforcement activity and enforcement initiatives globally in areas such as anti-corruption. For example, the Issuer does not own any production facilities or

factories but instead cooperate with suppliers and agents in primarily Asia with the largest volumes being produced in China, India and Bangladesh where the risk for corruption could be considered to be higher than in the Nordics. Even though the Issuer has currently implemented a policy for business ethics and anti-corruption and a whistle-blower policy, the Issuer's governance and compliance processes may not prevent breaches of law or regulations by the Issuer or by its subsidiaries. Any failure by the Issuer to comply with applicable laws and other standards could subject the Group to fines and reputational harm, among others.

Additionally, individual employees may not comply with the Issuer's policies and guidelines and as a result may cause the Issuer to incur compliance costs and cause the Issuer reputational damage. Furthermore, the Issuer is also dependent on its suppliers and agents complying with for example local laws and regulations, working environment standards, human rights, anti-corruption and non-discrimination. The Issuer relies upon governance, internal control and compliance systems, the effective operation of which will be necessary for the Issuer to accurately and effectively compile the Issuer's financial results and monitor its internal control processes. Any problems with these systems could have an adverse effect on the Issuer's business and inadequate internal controls could cause investors and other third-parties to lose confidence in the Issuer.

FINANCIAL RISKS

The Issuer may not be able to obtain financing on favourable terms, or at all, and may encounter difficulties in repaying its debt and financing or refinancing its operations

The Issuer's largest sources of liquidity are, and are expected to remain, cash flow from operating activities and borrowing from external lenders. The external financing of the Issuer consists of a SEK 350 million super senior revolving facility with Swedbank AB (publ) and the Bonds.

There is a risk that the Issuer will not generate sufficient profits and cash flow in order to finance its operations or refinance its existing indebtedness, and that, as a result, it may have to raise additional capital, such as equity from its current owners or new investors, bank loans or debt financing from the capital market. The Issuer's financing and refinancing abilities depend on a number of factors, such as market conditions and the availability of cash flows from operations and access to additional debt and equity financing, and there is a risk that such funds will not be available at a commercially reasonable cost, or at all. There is a risk that the Issuer will not be able to incur additional debt and/or refinance existing debt when it matures. In addition, adverse developments in the credit markets, as well as other future adverse developments such as the further deterioration of the overall financial markets or a worsening of general economic conditions, could have material adverse effect on the Issuer's ability to borrow additional funds as well as the cost and other terms of funding, and could force the Issuer to enter into formal or informal restructuring proceedings if it is not able to refinance its debt.

The failure to obtain sufficient funding for operations or the increased costs or unfavourable terms of financing or refinancing could have an adverse effect on the Issuer's business, financial condition and results. Furthermore, the Issuer may encounter difficulties in financing its capital investments, which may prevent the realisation of its strategic plans and could result in the Issuer having to forgo opportunities that may arise in the future. This, in turn, could have an adverse effect on the Issuer's financial position and results of operations.

The Issuer is exposed to credit risks, such as in relation to defaulting consumers

The Issuer has a direct credit risk relates to trade receivables. Trade receivables are amounts that are due from customers for sold goods or performed services performed in the Issuer's ordinary course of business. As set out in the section "*Risks related to the Issuer's operations and industry – The Issuer's net sales are to a certain degree attributable to its offering of payment solutions and financial services*"

above, consumer credits are a fundamental element in the Issuer's business model. Although receivables are continually sold on a true sale basis under the factoring programme with Resurs Bank, the remuneration which the Issuer receives under such factoring programme is a variable of the default rate in the portfolio of transferred receivables. Hence, the Issuer is indirectly exposed to a credit risk in relation to defaulting consumers. Higher than average default rates may adversely affect the Issuer's trade receivables and thus the Issuer's net sales. The Issuer is furthermore exposed to financial credit risks in the event that counterparties with whom the Issuer has deposited cash and other financial assets cannot fulfil their obligations. If the actions taken by the Issuer to manage credit risks would prove to be inadequate, this could have a negative effect on the Issuer's financial position and results of operations.

The Issuer is exposed to fluctuations in foreign exchange rates

The Issuer is exposed to currency risk, which is the risk that currency exchange rate fluctuations have an adverse effect on the Issuer's cash flow and financial position or its consolidated income statement or balance sheet since the Group predominantly generates net sales in the Nordic countries and certain European countries and procures goods from Asia and Europe. Exchange rate fluctuations affect the Issuer's results in part due to its sales and purchases in foreign subsidiaries being made in different currencies (transaction exposure), and in part due to the Issuer's consolidated income statement and balance sheet items being translated from foreign currencies into the Issuer's reporting currency, which is Swedish krona (SEK) (translation exposure).

The Issuer generates a significant portion of its sales in Euro (EUR), Norwegian krone (NOK) and Danish krone (DKK) and incurs a significant portion of its expenses primarily in U.S. dollar (USD) and to a lesser extent in EUR. To the extent that the Issuer incurs costs in one currency and generates sales in another, its profit margins may be affected by changes in the exchange rates between the two currencies. Generally, appreciation of the USD or depreciation of EUR, NOK and DKK against SEK would have an adverse effect on the Issuer's profit margins and net sales. The Issuer predominantly enters into forward contracts of the estimated currency flows regarding import to and export from Sweden of goods and services to hedge against exposure to transaction and exchange rate risks. However, to the extent the Issuer is not able to set-off the transaction exposure, fluctuations in foreign exchange rates, it could result in an adverse effect on the Issuer's results and financial position. As of 31 December 2022, a change of + 10 per cent in the SEK exchange rate had an impact on profit/loss before tax of SEK 0.6 million based on translation of trade payables and external and internal trade receivables in foreign currency.

In order to prepare its consolidated financial statements, the Issuer must translate assets, liabilities, revenues and expenses in the subsidiaries into SEK at the then-applicable exchange rates. Consequently, increases and decreases in the value of SEK versus such other currencies will affect the amount of these items in its consolidated financial statements, even if their value has not changed in their original currency. These translations could significantly impact the Issuer's financial position or results and the comparability of the Issuer's results between periods. Currency exchange fluctuations may also adversely affect the Issuer's competitiveness and customer demand and therefore have an adverse effect on the Issuer's financial position and results.

Impairment of intangible assets may have a negative impact on the Issuer's business, financial position and results

As of 30 September 2023, intangible assets mainly comprising customer relationships and brands amounted to SEK 1,509.4 million, equal to 46.1 per cent of the Issuer's total assets. Goodwill and other intangible assets are tested at least annually to identify any necessary impairment requirements. Assumptions regarding the future, growth, profitability and financing are key parameters in valuing customer relationships and brands and there is a risk that such assumptions will change in the future.

In the event that future impairment tests result in write-downs in the value of goodwill or other intangible assets, this would have an adverse effect on the Issuer's financial position and results.

The Issuer is exposed to interest rate risks which may affect financial income and expenses, cash flow and/or profits

The Issuer is exposed to interest rate risk, which is the risk that the value of financial instruments, interest-bearing assets and liabilities and income, costs and cash flows will change as a result of changes in the market rate. The Issuer is also exposed to interest rate risk through interest-bearing loans, which are one of the Issuer's sources of financing in addition to equity and cash flow from operating activities.

The Issuer may from time to time finance its operations by borrowing funds and a portion of the Issuer's cash flow may therefore be used to services interest liabilities, see above under "*The Issuer may not be able to obtain financing on favourable terms, or at all, and may encounter difficulties in repaying its debt and financing or refinancing its operations*" for information on the Issuer's current financing. The Issuer's exposure to interest rate risks through its operating are primarily attributable to the factoring programme with Resurs Bank, where increased borrowing costs generally reduce the remuneration payable by Resurs Bank.

If interest rates were to rise by one percentage point in all countries in which the Group has borrowings or investments, the hypothetical effect on the total amount of net financial income and expense would be SEK -15 million before tax as of 31 December 2022. Changes in interest rates affect the Issuer's interest costs and may lead to changes in actual value, changes in cash flows and fluctuations in the Issuer's result, which in turn could have an adverse effect on the Issuer's financial position and results of operations.

RISKS RELATING TO THE BONDS AND THE REQUEST

Risks related to the transaction security and guarantees

Although the obligations under the Bonds and certain other obligations of the Group towards the Bondholders and certain other creditors (jointly the Secured Parties) are secured by first priority security including guarantees, there is a risk that the proceeds of any enforcement sale of the security assets or enforcement of guarantees will be insufficient to satisfy all amounts then owed to the Secured Parties. It is also possible that the security over the shares in the subsidiaries in the Group becomes less valuable or ineffective due to intercompany debt owing to the Issuer from the subsidiaries in the Group.

The relation between the Secured Parties will be governed by the Intercreditor Agreement between, among others, the Issuer, the security agent initially being Nordic Trustee & Agency AB (publ) (in this capacity the "Security Agent") and the Secured Parties. The Security Agent may for example release the transaction security and guarantees, subject to the terms of the Intercreditor Agreement. Any such release may negatively affect the combined value of all guarantees and transaction security.

The Security Agent will take enforcement instructions from the Secured Parties. However, if the Agent (representing the Bondholders) wishes to enforce the transaction security or the guarantees, the Agent must, unless otherwise agreed, first consult with the other Secured Parties for a period of 30 days after which the Agent (representing the Bondholders) may instruct the Security Agent to take such action. The other Secured Parties may thus delay enforcement. Furthermore, the Security Agent may act in a manner that the Bondholders believe is to their detriment and in some situations the other Secured Parties may give enforcement instructions to the Security Agent.

If an investor holds Bonds which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding

The Issuer will pay principal and interest on the Bonds in SEK. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than SEK. These include the risk that exchange rates may significantly change (including changes due to devaluation of SEK or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to SEK would decrease (1) the Investor's Currency equivalent yield on the Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Bonds and (3) the Investor's Currency-equivalent market value of the Bonds.

Risk related to put options and early redemptions

According to the proposed amendments to the Terms and Conditions, the Bonds will be subject to prepayment at the option of each Bondholder (put option) if (i) Nordic Capital ceases to own and control at least 100 per cent of the share and voting capital in the Issuer, or (ii) if the Bonds cease to be listed on Nasdaq Stockholm or another regulated market. However, there can be no assurance that the Issuer will have sufficient funds at the time of such prepayment to make the required redemption of the Bonds which could adversely affect the Issuer, for example by causing insolvency or an event of default under the Terms and Conditions, and consequently adversely affect all Bondholders and not only those that choose to exercise the option.

Under the proposed amendments to the Terms and Conditions for the Bonds, the Issuer will reserve the possibility to redeem all or part of the outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date the holders of the bonds have the right to receive an early redemption amount which may exceed 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 and that may not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to carry out the required redemption of the Bonds.

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's security laws. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a Bondholder cannot sell its Bonds as desired. Restrictions relating to the transferability of the Bonds could have a negative effect for certain Bondholders.

Benchmark Regulation

The process of the calculation of STIBOR and other interest rate benchmarks have been subject to legislator attention. As a result, a number of legislative measures have been taken, whereof some have been implemented and others are going to be implemented. The most important initiative on the subject matter is the so-called Benchmarks Regulation that entered into force 1 January 2018 in the EU which regulates the provision of a benchmark, contribution of input data for the purpose of determining a benchmark and the operation of benchmarks within the EEA. There is a risk that the Benchmarks Regulation may affect how interest rate benchmarks are calculated. This in turn may give rise to increased volatility for some interest rate benchmarks. In addition, the increased administrative

requirements and the associated regulatory risks may decrease the will of some parties to participate in the determination of interest rate benchmarks or to the fact that certain interest rate benchmarks will cease to be published entirely. If this happens to a benchmark that is applicable to the Bonds, this may have an adverse effect on the relevant Bondholder's investment.

RISKS RELATING TO THE WARRANTS

An investment in the Warrants may not be a suitable investment for all investors

The warrants (the "**Warrants**") that are proposed to be issued by the Issuer under the Request may not be a suitable investment for all investors. Each investor who votes under the Request must determine the suitability of that investment in light of its own circumstances. In particular, each investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Warrants and the merits and risks of investing in the Warrants;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Warrants and the impact such an investment will have on their overall investment portfolio;
- understand thoroughly the terms and conditions of the Warrants and be familiar with how the Warrants will be valued in different scenarios; and
- be able to evaluate, either alone or with the help of financial advisor, possible scenarios for economic, interest rates, volatility and other factors that may affect their investments in the Warrants and their ability to bear the applicable risk.

An investor should not invest in the Warrants, which are complex financial instruments, unless it has the necessary expertise, either alone or with the help of a financial advisor, to evaluate how the Warrants will perform under changing market conditions, the resulting effects on the value of such Warrants and the impact this investment will have on the potential investor's overall investment portfolio.

Proceeds received from or related to the Warrants and the related equity participation arrangement, including dividend payments, may be subject to taxation

Taxation may vary depending on the type of investor and the tax laws of different jurisdictions. There is a risk that the holders of the warrants (the "**Warrant Holders**") issued to the Bondholders and/or the shares in the Issuer (the "**Shares**") issued upon exercise of the Warrants are or may in the future be subject to taxation of any proceeds or dividend distribution received on the Warrants and/or the Shares. Investors should determine the suitability of the investment in light of its own tax assessment and should consult their own professional tax advisors or other professional advice in this regard.

The value of the Warrants is dependent on the Group's performance and a successful exit

The Warrants will entitle the Warrant Holders to subscribe for new Shares in the Issuer of a new share class that will give the Warrant Holders a portion of the proceeds from a sale of the Group that equals 15 per cent of the aggregate proceeds distributed on the preference shares and the ordinary shares of the Issuer other than shares issued to management and employees of the Group, following deduction of transaction costs relating to the exit and the repayment in full of all debt instruments under which the Issuer has any outstanding obligations, including the Bonds but excluding the debt of EUR 40 million (together with accrued but unpaid interest) recorded on the balance sheet of the Issuer.

The value of the Warrants and/or Shares may be adversely affected, if the dispute regarding Nordic Capital's ownership rights would be resolved against or to the disadvantage of Nordic Capital (see further in "*Risks related to the Issuer's operations and industry – The outcome of the ongoing dispute between the current and former shareholders of the Issuer may affect the ownership structure of the Issuer*"). Furthermore, there are no assurances that the value of the Warrants and/or the Shares will

increase and/or that Warrant Holders will receive any dividends, distributions or other proceeds from a sale of the Group. The Warrant Holders' right to receive any dividends, distributions or other proceeds is subject to the performance of the Issuer and the possibility for the Issuer to carry out a successful exit of its subsidiary, Ellos Group Nordic AB. If the Issuer does not perform well, or if the market conditions for undertaking an exit are unfavourable, the value of the Group may decrease and the proceeds received in a sale of Ellos Group Nordic AB may be lower and thus affect the amount of proceeds distributed to the Warrant Holders.

The means to disburse proceeds from the Issuer to the Warrant Holders following an exit can be carried out in different ways, however the ability to pay dividends or make distributions is dependent on several factors, such as the Issuer's distributable reserves and liquidity situation, as well as any limitation imposed by applicable law and regulations. The process of distributing any proceeds from a sale of Ellos Group Nordic AB to the Warrant Holders can be delayed and result in the proceeds being locked-up for an extensive period of time.

Certain shareholders may make investments with the objective of exiting the investment within a certain time frame. The Warrant Holders may have interests which conflict with those of the shareholder of the Issuer. Cidron E-Com Sarl (a holding company controlled by Nordic Capital), in its capacity as majority shareholder of the Issuer, has legal power to control all of the matters to be decided by vote at a shareholder's meeting. Furthermore, the shareholder may also have an interest in pursuing certain strategies, acquisitions or other opportunities that, in its judgment, could enhance the value of its equity investment in the Issuer, although such course of action might increase the risk and may not be favourable for the Warrant Holders.

Upon the occurrence of an exit, the Issuer may need to agree to a lock-up arrangement since all of the shares of Ellos Group Nordic AB may not be sold directly upon completion of a trade sale or an IPO. In the event of an exit in the form of an IPO, such lock-up arrangement could last for a relatively long period of time. Warrant Holders will receive proceeds attributable to the Shares upon the execution of sell-down transactions of the Issuer's shares in Ellos Group Nordic AB. Any such sell-down transaction will be subject to market conditions and investor appetite for the shares and there can be no guarantee that the shares are sold within a certain period of time. Sell-down transactions are generally executed at a discount in relation to the latest closing price of the relevant shares, and there is a risk that the share price decreases following a potential exit and until all of the shares in the Issuer have been sold.

The Warrants and/or the Shares are not subject to trading on a regulated market and there will be no organised trading in the Warrants and/or the Shares on an unregulated market. The lack of organised and active trading of the Warrants and/or the Shares is likely to result in limited liquidity and the absence of regular market pricing of the Warrants and/or the Shares. This may partly cause problems for a Warrant Holder to dispose of its holding, fast or at all, or to a price acceptable to such Warrant Holder.