

VOLATI AB (publ)

**PROSPECTUS REGARDING LISTING OF
MAXIMUM SEK 1,000,000,000**

**SENIOR UNSECURED CALLABLE FLOATING RATE BONDS
2017/2022**

ISIN: SE0010547042

15 December 2017

Important information

This prospectus (the “**Prospectus**”) has been prepared by Volati AB (publ) (“**Volati**” or the “**Company**”), registration number 556555-4317, in relation to the application for listing of bonds issued under the Company’s maximum SEK 1,000,000,000 senior unsecured callable floating rate bonds 2017/2022 with ISIN SE0010547042 (the “**Bonds**”), of which SEK 600,000,000 was issued on 5 December 2017 (the “**First Issue Date**”) in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**”) (the “**Bond Issue**”), on the Corporate Bond List at Nasdaq Stockholm Aktiebolag (“**Nasdaq Stockholm**”). References to the “Group” refer in this Prospectus to Volati AB (publ) and its subsidiaries from time to time (each a “**Group Company**”), unless otherwise indicated by the context. References to “SEK” refer to Swedish Kronor. Nordea Bank AB (publ) and Skandinaviska Enskilda Banken AB (publ) have acted as joint bookrunners (together the “**Joint Bookrunners**”) and Nordea Bank AB (publ) has acted as issuing agent (“**Issuing Agent**”) in connection with the Bond Issue. The Joint Bookrunners have not verified the information in this Prospectus and accept no responsibility for and make no representation or warranty, express or implied, as to the accuracy or completeness of the information set out in the Prospectus.

This Prospectus has been prepared in accordance with the rules and regulations in the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended. This Prospectus has been approved by and registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) in accordance with the provisions in Chapter 2, Sections 25 and 26, of the Swedish Financial Instruments Trading Act. It should be noted that such approval and such registration does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of listing the Bonds on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may be 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 (as defined in Rule 902 of Regulation S under the Securities Act). The Company has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country’s securities laws. It is the investor’s obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

The Prospectus will be available at the Swedish Financial Supervisory Authority’s web page (www.fi.se) and the Company’s web page (www.volati.se), and paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company’s auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

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

This Prospectus shall be read together with all documents that are incorporated by reference (see section “*Overview of financial reporting and documents incorporated by reference*” below) and possible supplements to this Prospectus.

The Bonds may not be a suitable investment for all investors and each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

This Prospectus is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

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Risk factors

Investing in the Bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect the Group. These risk factors include, but are not limited to, market-related risks, risks related to the business operations of the Group, regulatory risks and financial risks. If any of these or other risks or uncertainties actually occurs, the business, operating results and financial position of the Group could be materially and adversely affected, which could have an adverse effect on the Group's ability to meet its obligations (including repayment of the principal amount and payment of interest) under the Terms and Conditions for the Bonds. The risks presented herein are not exhaustive, and other risks not presently known to the Group, or that the Group currently deems immaterial, and therefore not discussed herein, may also adversely affect the Group and adversely affect the price of the Bonds and the Group's ability to service its debt obligations. Prospective investors should consider carefully the information contained in this Prospectus and make an independent evaluation before making an investment decision.

The risk factors below are not ranked in any specific order.

Risks related to the Company, industry and market

Market-related risks

Macroeconomic factors

The Group's business units are active in a range of different industries. Volati is dependent on the success of and the demand for the products and services that are produced and provided by the business units, which are in turn dependent on factors such as functionality, price and general market demand. This demand is in turn impacted to a great extent by macroeconomic factors that are beyond Volati's control, and demand for the Group's products and services may be significantly lower during an economic downturn. Conditions in the global capital market and the economy as a whole have an impact on the Group's business, earnings and financial position. Factors such as consumption, corporate investments, volatility and capital market sentiment, as well as inflation, affect the business and economic climate. There is a risk that a weakening of these conditions in all or some of the markets where the Group is active will entail material adverse effects on the Company's business, earnings and financial position.

Market competition

All of the Group's business units operate within industries with significant competition from national and, in several cases, international players. In several cases, the business units are competing with players that can offer a more complete range of products or services, better access to financing and/or have greater financial, technological, marketing and/or personnel resources. Each business unit's future competitive situation depends on such factors as its ability to meet existing and future market needs. There is a risk that the Group might not successfully develop and/or deliver new competitive products and services, or that costly capital expenditures, restructurings and/or price reductions may need to be implemented to adapt operations to the competitive situation. There is a risk that increased competition from either existing or new players and/or a weakened capacity of the business units to meet the demand for their goods and services and/or the loss of one or more key customer contracts will have a material adverse impact on the respective business unit's business, earnings and financial position, which could result in material adverse consequences for the Company's business, earnings and financial position.

Risks related to changes in technology

To remain competitive, the Group's different business units must continue to launch new products and services, and increase and improve the functionality and quality of existing products or services. For example, the business and products of the business unit Akademibokhandeln are impacted by the general digitalisation whereby physical formats of books may be replaced or complemented by digital formats, such as audiobooks and e-books as well as the migration from physical stores to online stores. There is a risk that the Group's business units will be unable to adapt to digitalisation, implement new technologies or adapt their product offering and business model in time to be able to capitalise on new or existing technologies. Every such failure could have a material negative impact on the relevant business unit's business, earnings and financial position, which in turn would have a negative impact on Volati's earnings and financial position.

The costs associated with keeping up with product and technological development could be significant and be impacted by unforeseeable factors fully or partially beyond the Company's control. This means that the level and timing of future operating costs and capital requirements for keeping up with product and technological development could deviate significantly from current estimates. There is a risk that the inability to finance or the decision not to finance such costs will have a material adverse impact on the business and earnings of the relevant business unit, which could in turn have a negative effect on Volati's earnings and financial position.

Weather fluctuations

The business unit Corroventa, a part of the business area Industry, is a business that is highly dependent on the climate and weather. The demand for Corroventa's products and services is dependent on the amount of water damage that follows extensive precipitation or floods. The degree of precipitation varies from season to season during the year, and from year to year. There is a risk that the absence of high precipitation levels and floods will negatively impact the demand for Corroventa's products and services, which in turn would impact the Group's business, earnings and financial position.

Risks related to market conditions

The Group and business units operate with differing activities in different markets. In common for a number of the business units, is that they have distinct business models adapted to the prevailing conditions in the markets where the business units operate. For example, Akademibokhandeln bases parts of its business model on offering products through e-commerce and NaturaMed Pharma on offering products through mail order and e-commerce, while Thomée's business model is based on acting as a wholesaler to offer products manufactured by its suppliers.

Competitors may be superior at exploiting such market conditions. Several factors could also cause shifts in these market conditions, and competitors of the Company's business units may be better at adapting their business models to such shifts.

For example, the Company may be subjected to new or increased competition when either national or international general e-commerce retailers establish themselves and direct their customer offering at the markets of the Company's business units, or when existing competitors capture additional market share by focusing on online sales or developing e-commerce solutions that are superior and more effective than those developed by the respective business unit, which could adversely impact NaturaMed Pharma's and Akademibokhandeln's business models for example.

Another example is a shift in the balance of the value chain between producers, distributors and end customers, in the markets where the Company's business units are active. For instance, manufacturers and suppliers could change their strategy and circumvent wholesalers and other retailers by selling their products directly to end customers. Consumer-oriented retailers could also expand their customer offering toward the wholesaler-market, B2B market, which could adversely affect Thomée's business model for example.

There is a risk that the above and/or similar changes in market conditions, such as new distribution channels or advanced value chains, will have material negative consequences for the Group's business, earnings and financial position.

Strategic and operational risks

Risks related to the acquisition and transfer of companies

A significant portion of Volati's strategy consists of growth by acquisition, which either complements or broadens the Group's existing holdings. Since 2004, the Group has completed over 26 acquisitions. There is a risk that Volati will not be able to identify suitable acquisition targets or complete acquisitions on acceptable terms. In addition, the implementation of corporate acquisitions is usually an exhaustive and complicated process that actualises significant costs for items such as financing, as well as financial, legal and other consultants. A considerable portion of such costs are charged to the Group even in the event that an acquisition — for different reasons — is not completed and no value is transferred to the Company. This could adversely impact the development of the Group's business, earnings and financial position.

Corporate acquisitions are also associated with considerable risks in relation to the acquired company. There is a risk that potential problems and future losses may not be discovered through such a review. The target company may be subjected to, for example, customer losses, regulatory difficulties or unforeseen fees following the completion of the acquisition. This may require additional capital contributions from Volati or failure to deliver the expected return. Integration costs may also turn out to be higher than expected or Volati may have paid more than what the acquired object is worth. It is unlikely that Volati could obtain compensation from the seller for such costs. Consequently, there is a risk that such events will not only have an adverse impact on the relevant company's business, earnings and financial position, but on Volati's business, financial position and earnings. Furthermore, there is a risk of expected synergies or optimisation effects defaulting or failing to materialise or to be realised to the expected extent, which could have a negative impact on the Group's business, earnings and financial position.

Divestments of businesses are not part of the business model of Volati but there are cases where Volati deems that a divestment of a business is in the best interest of Volati. In connection with such divestments, Volati typically provides customary guarantees to the acquiring party with regard to the legal and financial position, and development of the divested company.

Consequently, there is a risk that the Group will be required to compensate the acquiring party for costs and losses arising from the divested company, which would have a material adverse impact on the Group's earnings and financial position.

Risks related to corporate development

Another key component of the Company's strategy is Volati's strategy for corporate development. The basic concept for developing business units is to retain a high degree of local entrepreneurial

spirit in the companies, and to supplement it with leadership, expertise, processes and financial resources.

An occasional key aspect of corporate development in conjunction with acquisitions may be new recruitments to replace the former company owners, since the former owners have been considerably involved with business. There is a risk that these new recruitments do not succeed or are not realised.

Volati's capacity to implement this strategy and develop companies is dependent on several factors. If Volati fails in one or more of these factors, there is a risk that Volati will not succeed with the development of one or more business units. These risks would, if materialised, have material negative consequences for the Group's business, earnings and financial position.

Financial development regarding business units' business

The Group has invested significant amounts in the development of products and services. If the companies' products/services are not in demand or are not otherwise competitive, or if the implemented research and development investments do not demonstrate the intended functionality, this may result in the need to recognise impairment in the business units — as well as additional development expenditure. This would have an adverse impact on the business units' business, financial position and earnings, which could have a material adverse effect on the Group's business, earnings and financial position.

Group Companies implement, to various extents, investments in tangible and intangible assets, such as IT systems. There is a risk such investments do not work out according to plan, such as when an investment is made on a machine of considerable value and it does not function as expected or lacks the intended capacity, or cannot implement the planned actions, or customers do not demand the products it can produce. This risk will, if materialised, have an adverse impact on the business unit's business, financial position and earnings, which could have a material adverse impact on the Group's business, earnings and financial position.

The reporting of ownership within each business area in the Group's balance sheet includes, to a varying degree, goodwill values and other intangible assets. If the business units do not develop according to plan, there is a risk of the present value of future cash flows being lower than the carrying amount, which could result in a need to impair the goodwill of particular business areas or other intangible assets within the Group. Such a situation could also arise in the event of a significant rise in the applicable discount rate. These risks will, if materialised, have material negative consequences for the Group's business, earnings and financial position.

Capacity to recruit and retain personnel

Volati has an organisation of limited size. Volati's future success depends on factors including its ability to retain and continue to motivate these employees, as well as being able to recruit, retain and develop other qualified senior executives and key employees including enhancing diversification and equality. If key individuals were to leave the Group and suitable successors cannot be recruited, this will have a material adverse effect on the Group's business, earnings and financial position.

Decentralised organisation

Volati applies a decentralised organisation, which entails that the four business areas and the underlying 14 business units are to a great extent responsible for operations and pursuing activities autonomously. Group management directs, controls and monitors operations within the Group, primarily by appointing business area managers, as well as a managing director and board for the business units, and by continuously monitoring developments through customary board work and monthly reporting.

Corporate governance in a decentralised organisation such as Volati's imposes stringent requirements on financial reporting and monitoring procedures. The Company and all of its business units use the same intra-group reporting system. The board of directors is of the opinion that a decentralised organisation has historically been advantageous for the Group. There is a risk that the organisational model for corporate governance will prove to be less suited to meeting potential future market challenges, and that Volati's competitiveness and market position will be weakened as a consequence. There is also a risk that deficiencies in the corporate governance of each of the 14 business units will result in incomplete, unprofitable or erroneous business decisions. The organisational format could limit the Group's management of legal issues and regulatory compliance, and it could curtail the Company's opportunities to monitor and secure compliance with regulations, agreements and guidelines. These risks will, if materialised, have material negative consequences for the Group's business, earnings and financial position.

Operational risk

All business operations in the Group's business units are associated with the risk of incurring losses due to deficient procedures, that irregularities and/or other internal or external events could cause disruptions or damage the business. Deficiencies in operational security could have a material negative impact on the Group's business, earnings and financial position.

Several of the Group's business units are dependent on one or more places of business and/or distribution and warehouse facilities. If such a place of business or facility should be destroyed or closed for some reason, for example, due to storms, floods, other natural disasters, riots, work blockades, industrial conflicts and industrial actions, fire, sabotage, acts of terrorism or government interventions, or if operating equipment or inventory should be significantly damaged, the business unit concerned would probably have difficulties in distributing its products and/or services.

The Besikta Bilprovning business unit, which is part of the business area Consumer, operates in the vehicle inspection industry. Vehicular inspection activities in the Swedish market require accreditation for vehicle inspection by Swedac. The accreditation process imposes stringent requirements on any company wishing to conduct vehicle inspections and Swedac regularly performs independent reviews of the competence and work procedures of the vehicle inspection companies that are accredited. An operational deficiency at Besikta Bilprovning could result in the inability to retain accreditation at one or more of Besikta Bilprovning's inspection stations.

These risks will, if materialised, have material negative consequences for the Group's business, earnings and financial position.

Disputes

There is a risk of the Group being involved in future disputes. The outcome of such potential disputes may lead to expenses, adversely affect Volati's reputation or any Group Company's reputation and interfere with the senior management's focus on other activities. If Volati would be held responsible in a dispute, there is a risk that this would have a material negative impact on the Company's business, earnings and financial position.

Inadequate internal controls

If the Company's corporate governance procedures and internal controls are not implemented or applied efficiently there is a risk that the Company's and its business units' capacity to deliver reliable financial information and efficiently prevent fraud or other illicit exploitation of the Group and its resources are adversely affected.

Regardless of the policies, guidelines and instructions (management of the execution of power of attorney and authorisation rules) that the Group has issued, in the event of any attempts at fraud, the Group is essentially at the mercy of human factors and the honesty and vigilance of individual employees. There is a risk that insufficient and inefficient corporate governance or internal controls and fraud attempts directed at the Group will result in damage such as erroneous costs, which could result in material negative effects for the Group's business, earnings and financial position.

If the Group fail to establish and maintain a sufficient and efficient governance and internal control, there is a risk that the Group will be subject to erroneous costs or other damage which could have material negative effects for the Group's business, earnings and financial position.

Structural changes and geographical expansion

Volati's continuous measures to optimise the structure and productivity and its business units' market position through *e.g.* expansions may result in costs for Volati. Any future changes, such as closures and start-ups of production facilities, could also entail a deterioration of relationships with employees, suppliers and customers, and any unforeseen transition problems or production interruptions could increase the cost of the process. There is also a risk of the expected advantages of an investment in a structural change or geographic expansion failing to actualise, which could have a material adverse impact on the Group's business, earnings and financial position.

There is also the risk of Volati's competitors or customers initiating or participating in major structural changes, where one or more companies merge to establish larger units. Such larger units typically have superior bargaining positions, improved access to financing and greater financial, technological, marketing and personnel resources. Competitors of Volati's business units could consequently strengthen their respective market positions to the detriment of the Group. In the event of major structural changes among the Group's customers, there is the risk of Volati's business units being pressured to lower prices or otherwise change their terms and conditions, resulting in reduced margins. Consequently, there is a risk that structural changes among competitors and the customers of business units could have a material negative impact on the Group's business, earnings and financial position.

There is further a risk that a change in consumer strategies or purchasing patterns will adversely affect the Group's net sales. The willingness of consumers to purchase products may decrease due to external factors, such as general downturn in the economy, which affect consumers' buying

power or purchase pattern. If such should materialise it there is a risk that it would have a negative effect on the Group's earnings and financial position.

Supplier risks

The capacity of business units to manufacture, sell and deliver products and services is dependent on the contractually agreed accessibility, production capacity, quality assurance and deliveries of external suppliers. Incorrect, delayed or non-deliveries from suppliers of various types could entail that a business unit's deliveries are, in turn, delayed or must be cancelled, or incomplete or incorrect. In some cases, the business units have no written agreements with suppliers and their business is relationship-based, which means that it could be difficult to demand what was agreed upon or that previous agreements are changed. There is a risk that the above, if materialised, could adversely impact the business unit and, in the long term, the Group's business, earnings and financial position.

If a supplier should have problems delivering, it could take time to find and negotiate with alternative suppliers. The terms and conditions for such alternative suppliers could also be less favourable than current solutions. Consequently, there is a risk that delivery problems will cause disruptions for the business unit concerned, which would probably impact the business unit's and, in the long term, the Group's business, earnings and financial position.

Decline in reputation

A positive reputation is crucial to the Group and its operations and earnings capacity. If Volati or any business unit, any of its senior executives or board members implements any corrective measure in conflict with the values that Volati represents, or if any business unit's services or products fail to live up to the market's expectations, there is a risk of damage to the reputations of Volati and the business unit concerned.

The business units sometimes collaborate with external players to provide a customer offering. If these external players should be negligent in the context of such collaborations or, for any reason, fail to deliver an expected or agreed-upon service or product to the business unit's customers in connection with such an offering, there is a risk that the business unit's reputation is harmed.

There is a risk that declines in reputation would have an adverse impact on the business unit and, in the long term, the Group's business, earnings and financial position.

Environmental risk

The Group owns a number of properties and it is not unusual for properties to be included when the Group carries out an acquisition. This entails a risk of contaminated properties existing or coming into the Group's ownership.

According to the Swedish Environmental Code (Sw. *miljöbalken*), the business operator is responsible for the remediation of a contaminated property, i.e. business operators within the meaning of the Environmental Code. If the business operator is unable to perform or pay for remediation of a contaminated property, the party who has acquired the property is responsible for the remediation, if the party knew of, or at the time ought to have discovered, the contaminations. This means that under certain conditions, claims could be made against the Group for ground decontamination or reclamation relating to the presence or suspicion of contamination in soil,

catchment areas or groundwater. Existing or previously operated businesses at the properties could thus cause environmental risks that could result in a material negative impact on the Group.

The Group pursues environmentally hazardous operations that are subject to reporting obligations, as well as operations that do not fall under environmentally hazardous operations subject to reporting or permits under the Swedish Environmental Code, but which nevertheless could cause contamination. The Group's facilities also handle inflammable goods that could ignite from incorrect handling, and which could entail the risk of fire and explosion, or health risks as a consequence.

It has been noted that responsibility could be placed on the business unit, Habo, for historic contamination at properties that are included in the database of potentially polluted areas known as EBH-stödet, maintained by the county administrative boards. A special environmental insurance has been obtained for this purpose, and the former owner of Habo has submitted supplementary guarantees. There is a risk that responsibility for decontamination or remediation may be imposed on Habo, which, in whole or in part, might not fall within the scope of the insurance coverage or guarantees.

Consequently, there is a risk that the Group will be charged for the cost for ground decontamination or reclamation, which could have an adverse impact on the Group's business, earnings and financial position.

Risk of cyber-attacks and failure in information reporting systems and data processing

The Company and its business units use the same intra-group reporting system. Volati is dependent on this technical system for collecting, processing and communicating information securely as well as to monitor the business units' operational and financial performance efficiently. Serious errors, losses of information or longer periods of downtime in the reporting system may result in problems for the Company's ability to exercise control over the business units and to report accurate information internally in the Group as well as externally to the market. Disruptions or errors in internal or external IT systems which are critical to the operations of the Company's business units, such as Besikta's connection to the Swedish Transport Agency's IT system, may also have a material negative impact on the business units' ability to produce goods or services. Furthermore, information security risks have generally increased in recent years because of the proliferation of new technologies and the increased sophistication of cyber-attacks. Cyber-attacks on Volati's reporting systems, or its business units' or external providers' other IT systems, may disrupt the Group's business as well as result in the disclosure of confidential or proprietary information or trade secrets. If information on, for example, Volati's financial development or customer data are wrongfully disclosed, distributed or otherwise used in breach of laws and regulations regarding the disclosure of information to the market or data protection laws and regulations, the Company could face both legal liability and damage to its reputation. Insufficient reliability, functionality, and continued development of the Group's reporting system or other internal or external IT systems critical to the business of the Group will thus, if Volati is not successful in managing or mitigating the consequences thereof, have a material negative effect on the Company's business, earnings and financial position.

Regulatory risks

Competition and anti-trust regulation issues

To the extent that the Group is deemed to have acted in conflict with applicable competition and anti-trust regulations, it could result in fees and other sanctions for the parties involved, for example, in the event that a business unit in some context is deemed as abusing its position of dominance or participating in illicit anti-competitive collaborations.

In conjunction with acquisitions and divestments, the Company cooperates with counterparties and their advisors to perform analyses and report on issues pertaining to competition law and other change-of-ownership issues to competition authorities and other relevant government authorities. If the event that such an analysis is inadequate and/or the competition authorities or other authority calls into question the transactions, analyses and/or reports, this could result in fees for the parties involved and, in certain cases, the invalidation of implemented transactions.

There is a risk that the outcome of competition law rulings and other proceedings would have material adverse consequences on the Group's business, earnings and financial position.

Tax-related risks

Volati pursues its operations through business units located in a number of countries and is impacted by the applicable tax regulations at any time in these countries. These include corporate tax, property tax, value-added tax, regulations pertaining to the tax-free disposal of shares, other governmental and municipal duties and interest deductions and subsidies. The Group's tax situation is also impacted by whether its intra-group transactions are deemed to be priced at market rates.

The Group comprises of around a hundred companies that, from time to time, are subject to tax, VAT or customs related reviews or audits. Such standard reviews or audits are usually ongoing, at any time, for one or more of the Group companies. In some cases, these reviews could be ongoing for a protracted period of time, and this generally entails that tax or tariff increases cannot be ruled out until the case is concluded.

There are minority shareholders in some of the Group's Swedish companies. It is Volati's understanding that these minority shareholders acquired their shares at market terms. There is a risk that the tax authorities concerned will have a different view and deem that the transactions were not at market terms, which could entail a risk of tax on fringe benefits being imposed, and result in the levying of payroll taxes and tax penalties.

Volati pursues operations in accordance with its interpretations of tax legislation, tax agreements and the requirements of the tax authorities concerned. There is a risk that the tax authorities of the countries concerned will perform assessments and issue rulings that deviate from Volati's understanding or interpretation of the aforementioned laws, agreements and regulations. This, and the aforementioned audits and reviews could result in one of the Group companies being required to pay additional taxes, particularly with regard to its financing, intra-group provisions and the manner in which the operations were historically conducted abroad prior to Volati's ownership. This could have an adverse impact on the Group's business, earnings and financial position.

Amended tax regulations

Tax regulation is subject to constant change and a review. For example, on 20 June 2017, the Ministry of Finance (Sw. *finansdepartementet*) submitted a memorandum for remittance (Sw. *remiss*) including proposals on the introduction of a new system for corporate taxation in Sweden. As part of the proposal, the Swedish Ministry of Finance has proposed general limitations on interest deduction. The remittance period has just ended and the potential impact of the proposal is still unclear. The proposal can enter into force at the earliest on 1 July 2018 and, if implemented, may have a negative impact on the Group's financial position and earnings.

Other changes in the regulatory framework that governs the corporate tax and other taxes and duties, e.g., a reduced VAT rate for books which is currently under discussion by politicians, could also impact the conditions of the Group's business and thus impact its earnings. There is a risk that such decisions or changes, would, potentially with retroactive effect, adversely impact the Group's earnings and financial position.

Changed accounting rules

Volati's business is affected by the accounting rules applied from time to time in Sweden, including, for example, IFRS and other multinational accounting rules. Consequently, the Group's future reporting, financial statements and internal controls could be impacted by and require adjustment to comply with the amended accounting rules or an amended application of such rules. There is a risk that this will cause uncertainty about the Group's reporting, financial statements and internal controls, and will impact the Company's reported earnings, balance sheet and equity, which could have a material adverse impact on the Company's business, earnings and financial position.

For example, the International Accounting Standards Board has adopted a new accounting standard for the reporting of leasing agreements, IFRS 16 Leases. IFRS 16 will come into force for the Company in the financial year commencing 1 January 2019. In accordance with current regulations, lease payments are recognised as an operating expense included under external costs. Briefly, IFRS 16 entails that operating leases with a maturity period of longer than one year are instead to be recognised as assets in the balance sheet based on a discounted present value of future payments. Corresponding amounts are to be recognised as debts. Profit or loss will be charged with depreciation through the asset's useful life, which normally corresponds to the leasing agreements duration and interest expenses.

The expectation is that IFRS 16 will have a material impact on the Company's accounting of net debt which would increase significantly. There is a risk that such could lead to a negative impact on the Group's financial position and earnings.

Dependent on law, permits and resolutions

A limited number of the Group's business units, such as Besikta Bilprovning and NaturaMed Pharma, conduct business under the supervision of various authorities.

If the Group's interpretation of governmental regulations should prove to be incorrect, or if the Company is in breach of such regulations due to deficiencies in its operations or due to amendments in such regulations, which may occasionally occur on short notice, there is a risk that the Group's existing permits will be withdrawn, limited or not renewed, which could result in the

Group incurring fines or other administrative sanctions and negative publicity, which, in turn, would have a material adverse impact on the Company's business, earnings and financial position.

Volati's operations, particularly within the business units Tornum and Corroventa, are conducted in several different jurisdictions and consequently, are subject to the local regulations and laws applicable within each jurisdiction, as well as to overall international regulations. If the regulations were to be amended, primarily with regard to customs and export regulations, other trade barriers, such as price and currency controls, or other public guidelines in the countries where the companies are active, or if such companies are not deemed to fulfil the applicable requirements in accordance with such regulations, this could have an adverse impact on the respective business unit's business, financial position and earnings, which could also have negative consequences for the Group's business, earnings and financial position.

To a great extent, Tornum's customers finance their purchases with the aid of various EU-related subsidy programmes. These subsidy programmes are, as a rule, administered by the relevant authority or body in the purchaser's home country. The administrative processes for handling the payment of subsidies vary in efficiency and in some cases, the processing time is considerable and/or unforeseeable. If the financing of these subsidy programmes should be changed or discontinued in general, thus weakening the financing capacity of Tornum's customers, or if the payment processes should be deficient or otherwise be prolonged, this would have an adverse impact on Tornum's business, financial position and earnings, and there is also a risk that such could also entail adverse consequences for the Group's business, earnings and financial position.

Altered legal conditions

The Group's operations are regulated by laws, rules and regulations, at both a national and an EU level.

NaturaMed Pharma offers naturopathic medicine, herbal medicinal products and dietary supplements through mail order and e-commerce. These are products that by nature, are subject to comprehensive legislation, regarding aspects such as product labelling, effect/health claims and product content. In addition, NaturaMed Pharma's business model is based on mail order and e-commerce, which makes the company subject to amended regulations (such as the Personal Data Protection Act) or market trends in these areas (for example, reduced customer potential due to mass subscription to what is known as the NIX registry).

Another example is Besikta Bilprovning, which operates in a deregulated market, and amended or new regulations governing Swedish motor-vehicle inspection operations could have an adverse impact on the Group's operations, earnings and financial position. Any amendments to the inspection regulations toward less frequent inspection intervals could have an adverse impact on Besikta Bilprovning's operations, earnings and financial position, which could also entail negative consequences for the Company's operations, financial position and earnings. Furthermore, the demand for Besikta Bilprovning's products and services are to a certain extent dependent on the continued political will to implement environmental and safety controls on vehicles. There is a risk that this political will change due to, for example, new EU directives or amendments to Swedish laws and regulations, which could have a material adverse impact on the Group's business, earnings and financial position.

The German environmental authority, Umweltbundesamt (UBA), is considering a proposal to ban certain types of drying (known as sandwich-construction). There is a risk that Corroventa will not have corresponding replacement products to cover this, in the event that the proposed ban should be adopted and come into force. Furthermore, there is some uncertainty as to interpretation and implementation of an EU Directive in Germany concerning harmonisation of laws relating to energy measuring devices. Depending on the interpretation and implementation Corroventa could be obliged to revise its products in order to sell/lease products in Germany. Germany is Corroventa's most important market and a significant share of Corroventa's existing business in Germany would be impacted by the aforementioned. These implications could have a material adverse impact on the Group's business, earnings and financial position.

Additional laws, directives or ordinances, or their new interpretations, which concern Volati's business, are introduced from time to time, which could result in increased administrative costs for the Group and ultimately impact shareholder returns, or in Volati being forced to implement changes to its legal structure, or in a service or product offering being required to be changed or discontinued. There is also a risk that the Group's interpretation of applicable laws, directives or ordinances are based on inaccurate assumptions or otherwise incorrect. This could result in cost increases or other unfavourable consequences, such as a deteriorated tax situation or reduced sales revenues, for the Company and its shareholders. Such risks could have negative consequences on the Group's business, earnings and financial position.

Furthermore, legal development is generally leaning towards stricter requirements concerning processing of personal data, including customer data. Laws, rules and regulations, both domestic as well as within the EU and EEA, entailing stricter regulation on the processing of such data, could impact the business units' activities with regards to, e.g., direct marketing to customers. Furthermore, on 25 May 2018 a new EC regulation titled General Data Protection Regulation (the "GDPR") will enter into force. The GDPR includes several new requirements that must be complied with. Direct marketing, including telemarketing, is directly impacted by GDPR. Thus, the business units that conduct direct marketing within their operations, for example NaturaMed Pharma, need to comply with GDPR in order to avoid, for example, legal actions by consumers. The implementation of a new system for personal data processing and actions needed to ensure compliance with the GDPR involves costs for the Group. There is a risk that failure to comply with GDPR will lead to significant fines that would have a negative impact on the Group's business and financial position.

Political risks

The Group's business is exposed to general political and societal risks comprising potential government intervention and regulations or potential inflation or deflation in the countries where it has business (primarily Sweden).

The Group has businesses in 16 countries and the political and societal development of these countries have an impact on the Group to varying extents. For example, a considerable share of me&i's production takes place in Turkey and the capacity to operate in Turkey is impacted by the political developments of the country and region. Tornum is not only active in Ukraine and Russia, but also in Romania and Poland, where new political leadership has or might change agricultural conditions (which indirectly impact Tornum).

In light of the turbulent relationship between Ukraine, Russia and the EU, there are political and societal risks (and consequently related financial risks) pertaining to Tornum's business in Ukraine and Russia. Continued and increased tensions between Russia and other countries could have significant political consequences that may take the form of additional sanctions (economic or other sanctions) issued by the EU, the U.S., Russia or other country, or Russia could, as a response to sanctions or other actions, enact measures against foreign investors and companies. Such political consequences are difficult to foresee and could adversely impact the long-term development of the Group's business, earnings and financial position.

A key component of the Group's business and customer offering comprises the EU's internal market, meaning the common market and free movement of goods, services, capital and individuals within the EU. There is a risk that changes in the internal market's method or operation, such as due to the UK's referendum to leave the EU, will adversely impact the Group's business, earnings and financial position in the long term.

Product liability, product recall and project liability

Some of the business units manufacture products that, if used incorrectly, could cause personal injury or damage to a customer's property. For example, Thomée, T-Emballage, Habo and Sørbø Industribeslag sell products such as tools and components, Kellfri sell machinery, carriages, tractors and accessories for agroforestry, and NaturaMed Pharma sells dietary supplements, herbal medicinal products and health products. In terms of Ettikettoprintcom's products and services, the consequences of an error could be significant due to the extensive distribution of the products that include Ettikettoprintcom's labels (such as consumer products). The business units could subsequently be exposed to product liability and subjected to requirements on product recall in the event that the use of the relevant company's products cause, allegedly cause or are suspected of potentially causing harm to individuals or property. Volati does not have any control of how the products are actually used, and end customers may use them in a manner that causes personal injury or damage to property. There is a risk that faults in the Group's products or the actual usage of the products will result in product liabilities, which in turn could result in significant financial obligations and negative publicity, which could have an adverse impact on the Company's earnings and financial position. There is a risk that Volati's insurance coverage is limited due to, for example, limitations of amounts and excess requirements.

Tornum (and to a certain extent Ettikettoprintcom) deliver projects, which entails project liability. The companies deliver in accordance with standard industry terms and conditions that may be associated with supplier liabilities. Such project liabilities entail overall liability — including parts that are delivered by parties other than the business unit. In cases where such projects are not completed, there is a risk that the business unit will be held liable, which could have material negative consequences for the Group's business, earnings and financial position.

Intellectual property rights

The business units' intellectual property rights comprise registered patents and patent applications, registered brands and brand applications, registered designs and domain names. There is a risk that competitors will, in various ways, call into question or circumvent the Group's protection of industrial property, which could adversely impact the Group's or the relevant business unit's business.

There is a risk that, as a result of the launch of new products or in conjunction with the establishment of new geographic markets, the Company or a business unit will infringe on or be accused of infringing on third-party intellectual property rights. In such cases, the Group could be implicated in disputes concerning these intellectual property rights.

The same could be true if a third party should infringe, or be accused of infringing on the Company's or a business unit's intellectual property rights. It is usually difficult to foresee the outcome of such disputes, and the costs could be significant — including cases where the outcome is favourable to the Group — and considerable personnel resources may need to be allocated for the process. In the event that the Group's protection of these intellectual property rights are insufficient or if the Group infringes on a third party's intellectual property rights, or if a third party infringes on the Group's intellectual property rights, it could adversely impact the Group's business, earnings and financial position.

Financial risks

Credit risks

Credit risk entails exposure to losses in cases where a counterparty cannot honour its financial obligations to the Group. If these counterparties cannot fulfil their financial obligations to the Group, it could have an adverse impact on the Company's business, earnings and financial position.

Liquidity risk

Liquidity risk is the risk that the Company and/or the Company's business units are unable to meet their payment obligations when they are due without a significant increase in the cost of obtaining the funds. Should the Company's sources of financing prove to be insufficient, this could have a material negative impact on the Group's business, earnings and financial position.

Financing and refinancing risk including dependency on Group companies

Financing risk means the risk that Volati does not obtain access to financing at all or only on unfavourable terms. Volati is dependent on obtaining financing through external creditors. The Company's financing needs comprise operating activities and preparedness for possible future investments. The availability of financing depends on factors such as the general availability of risk bearing capital and the Group's credit rating.

If the Group's performance were to deviate from the existing strategic focus, the Company may need to acquire capital. If in such a situation, the Company fails to acquire sufficient new capital on favourable terms and conditions, or any capital at all, this could have an adverse impact on the Company's operating activities and its potential to fulfil its obligations under its credit agreements or otherwise, which could have a material negative impact on the Company's earnings and financial position. The Company is otherwise dependent on other Group companies, and if the financial results of the Group as a whole decline, or if surety is utilised by creditors as part of the Company meeting significant liabilities of other Group companies, this could have an adverse impact on the Company's potential to fulfil its obligations pursuant to any financing agreements.

There is, furthermore, a risk that the Company may in the future in other ways breach its undertakings or financial obligations under its financing agreements, which could cause the creditors in question to terminate the agreements for immediate payment or to enforce security.

Furthermore, a downturn in the general economic climate or disruptions in the capital and credit markets may result in decreased opportunities to refinance loans under the financing agreements and that the Company's access to financing becomes restricted. In case the Company is unable to obtain new financing or refinance existing facilities, or is only able to obtain such financing on unfavourable terms, it could have a material negative impact on the Group's operations, earnings and financial position.

Interest-rate risks

Interest-rate risk refers to the risk that changes in interest rates will affect Volati's interest expenses. In the longer term, changes in interest rates have a material effect on Volati's earnings and cash flow. Should the prevailing interest-rate levels change and/or the Company fail to pay interest in the future, the Company's business, earnings and financial position could consequently be adversely impacted.

Risks related to currency risks

Currency risk is defined as changes in exchange rates that have an impact on the Company's earnings and which occur in conjunction with transactions in foreign currency, which arise when the Group conducts purchases and sales in foreign currency, and when assets and liabilities are held in foreign currencies. When consolidating foreign subsidiaries, the currency of each country is translated into SEK, which could have a negative impact on the Group's financial position. A considerable portion of the purchasing is from suppliers located in countries with a different currency, while many sales to customers are in a different currency. Accordingly, future currency fluctuations could adversely impact the Group's earnings and financial position.

Risks relating to the Bonds

Credit risk

An investment in the Bonds carries a credit risk relating to the Company and the Group. The investor's ability to receive payment under the Terms and Conditions is dependent upon the Company's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned above.

An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively. Another aspect of the credit risk is that any deterioration in the financial position of the Group may reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds.

Refinancing risk

The Group may be required to refinance certain or all of its outstanding debt, including the Bonds. The Group's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets and its financial position at such time. The Group's access to financing sources may not be available on favourable terms, or at all. The Group's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Group's business, financial condition and results of operations and on the bondholders' recovery under the Bonds.

Ability to comply with the Terms and Conditions

The Company is required to comply with the Terms and Conditions, *inter alia*, to pay interest under the Bonds. Events beyond the Company's control, including changes in the economic and business condition in which the Group operates, may affect the Company's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in an event of default under the Terms and Conditions, which could lead to an acceleration of the Bonds, resulting in that the Company has to repay the bondholders at the applicable call premium. It is possible that the Company will not have sufficient funds at the time of the repayment to make the required redemption of Bonds.

Interest rate risk

The value of the Bonds is dependent on several factors, including the level of the general market interest rates over time. The Bonds have a floating rate structure of three (3) months STIBOR plus a margin and the interest rate of the Bonds will be determined two (2) business days prior to the first day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. An increase of the general interest rate level could adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is outside the Group's control.

Currency risk

The Bonds will be denominated and payable in SEK. If investors in the Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign exchange-related risks. For example, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Company to make payments in respect of the Bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal at all.

Liquidity risk and secondary market

The Company has undertaken to list the Bonds on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain, admitted to trading on another regulated market. The Company has undertaken to complete such listing within four months after the First Issue Date (however, the Company will use its best efforts to complete such listing within 30 days from the First Issue Date). After such listing, the Company shall ensure that the Bonds continue being listed on Nasdaq Stockholm (or another regulated market, as applicable). There is a risk that the Bonds will not be admitted to trading. Furthermore, even if securities, including the Bonds, are admitted to trading on Nasdaq Stockholm (or another regulated market, as the case may be), there is not always active trading in the securities. Consequently, there is a risk that there will not be a liquid market for trading in the Bonds even if the Bonds are listed. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore,

the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if they are admitted for trading on Nasdaq Stockholm (or another regulated market, as applicable).

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

The market price of the Bonds may be volatile

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

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this material or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- (iv) understand thoroughly the Terms and Conditions; and
- (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

If an investor fails to meet any of the conditions enumerated above, or it is otherwise not possible to determine whether the Bonds are a suitable investment for the investor, there is a risk that the investor will not be able to bear losses in respect of the Bonds, that the investor will not have the necessary knowledge and experience to invest in the Bonds, and/or the Bonds will not be compatible with the investment objectives of the investor.

Dependency on subsidiaries and business units

A significant part of the Group's assets and revenues relate to the Company's subsidiaries. Accordingly, the Company is dependent upon receipt of sufficient income related to the operation of and the ownership in such subsidiaries within the Group to enable it to make payments under the Bonds. The Company's subsidiaries are legally separate and distinct from the Company and have no obligation to pay amounts due with respect to the Company's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of

the Company's subsidiaries to make such payments to the Company is subject to, among other things, the availability of funds.

Should the value of the business conducted in the subsidiaries decrease, and/or should the Company not receive sufficient income from its subsidiaries, the investors' ability to receive payment under the Terms and Conditions may be adversely affected.

Unsecured obligations and security over assets granted to third parties

The Bonds represent unsecured debt obligations of the Company. This means that if the Company is subject to any dissolution, winding-up, liquidation, restructuring (Sw. *företagsrekonstruktion*), administrative or other bankruptcy or insolvency proceedings, the bondholders normally receive payment after any priority creditors have been paid in full. The bondholders will only have an unsecured claim against the Company. As a result, the bondholders may not recover any or all of its investment.

Furthermore, the Group may, subject to certain limitations, incur additional financial indebtedness including providing security and/or guarantees for such indebtedness. Consequently, an enforcement of material security provided under any such secured obligations would have a material negative effect on the value of the Group's assets, the Group's operations and the bondholders' possibility to claim recovery under the Bonds. In addition, in the event of bankruptcy, restructuring or winding-up of the Company, the bondholders will be subordinated in right of payment out of the assets being subject to security.

Each investor should therefore be aware that by investing in the Bonds, there is a risk that the investor loses all or part of its investment if the Company becomes liquidated, bankrupt, insolvent, carries out a restructuring or is wound-up.

Structural subordination and insolvency of subsidiaries

As mentioned above, a significant part of the Group's assets and revenues relate to the Company's subsidiaries. The subsidiaries are legally separated from the Company and the subsidiaries' ability to make payments to the Company is restricted by, among other things, the availability of funds, corporate and legal restrictions. In the event of insolvency, liquidation or a similar event relating to one of the Company's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Company, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries. Defaults by, or the insolvency of, certain subsidiaries may result in the obligation of the Company to make payments under financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group. There is a risk that the Company and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

Majority owner

Following any potential change of control in the Company, the Company may be controlled by majority shareholders whose interest may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions,

divestments, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions would involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a material negative impact on the Group's operations, earnings and financial position. According to the Terms and Conditions, if a change of control event occurs, the bondholders have however a right of prepayment of the Bonds (put option). There is a risk that the Company does not have enough liquidity to repurchase the Bonds if the bondholders use their right of prepayment, see further under Section *Risks related to early redemption and put option* below.

Risks related to early redemption and put option

Under the Terms and Conditions, the Company has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the bondholders have the right to receive an early redemption amount that exceeds the Nominal Amount. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and that they may only be able to do so at a significantly lower rate.

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) if (i) the Company fails to list the Bonds issued under the Initial Bond Issue on the corporate bond list of Nasdaq Stockholm within four (4) months after the First Issue Date of the Bonds (a so called Listing Failure), (ii) the Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm, or the ordinary shares of the Company, cease to be listed on Nasdaq Stockholm, (iii) trading of the Company's ordinary shares on the aforementioned stock exchange is suspended for a period of 15 consecutive business days ((ii) and (iii) constitute a so called De-listing Event), or (iv) one or more persons (other than Karl Perlhagen (or his heirs or estate), acting together, acquire control of fifty (50) per cent. or more of the voting shares of the Company or acquire the right to, directly or indirectly, appoint or remove the whole or a majority of the board of directors of the Company.

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

Distributions

The Group is under the Terms and Conditions prohibited from making distributions, unless certain financial covenants are met. Furthermore, in accordance with the Terms and Conditions, the Company is, *inter alia*, entitled under certain circumstances, to make dividends and other distributions in relation to the Company's, from time to time, outstanding preference shares and hybrid instruments. If any of these distributions are made, it could have an adverse effect on the Group's assets and on the position of the bondholders.

No action against the Company and bondholders' representation

As stipulated in the Terms and Conditions, the Agent (being on the First Issue Date, Nordic Trustee & Agency AB (publ)) will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Company and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action.

However, the possibility that a bondholder, in certain situations, could bring its own action against the Company (in breach of the Terms and Conditions) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against the Company. To enable the Agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the Agent in such matters could impact a bondholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the bondholders.

Bondholders' meetings

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

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 Company has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effectuate any exchange offer for the Bonds in the future. Furthermore, the Company has not registered the Bonds under any other country's securities 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.

Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired.

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

The Bonds will be affiliated to Euroclear's account-based system, and no physical Bonds will be issued. Clearing and settlement relating to the Bonds is carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent upon the functionality of Euroclear's account-based system, which is a factor that the

Company cannot control. If Euroclear Sweden's account-based system would not function properly, there is a risk that investors would not receive payments under the Bonds as they fall due.

Amended or new legislation

The Terms and Conditions are based on Swedish law in force at the First Issue Date of the Bonds. The impact of any possible future legislative measures or changes, or changes to administrative practices, may give rise to risks which are not possible to foresee. Accordingly, amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

Conflict of interests

The Issuing Agent and Joint Bookrunners have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. Accordingly, there is a risk that conflicts of interest may exist or may arise as a result of the Issuing Agent and Joint Bookrunners having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests. There is a risk that such conflicts of interest will adversely affect the Group's ability to renew or maintain existing financing or obtain further financing and in turn have a negative effect on the Group's operations, earnings and financial position.

Responsible for the information in the Prospectus

The Company issued the Bonds on 5 December 2017. This Prospectus has been prepared in relation to the Company applying for admission to trading of the Bonds on Nasdaq Stockholm, in accordance with the rules and regulations in Chapter 2 of the Swedish Financial Instruments Trading Act and Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, each as amended.

The Company is responsible for the information given in this Prospectus. The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Company's knowledge, in accordance with the actual conditions and that no information has been omitted which may distort the picture of the Company. The information in the Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Company is aware and can judge on basis of other information made public by the respective third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect.

The board of directors is responsible for the information given in this Prospectus only under the conditions and to the extent set forth in Swedish law. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omissions likely to affect its import.

Stockholm on 15 December 2017

Volati AB (publ)

The board of directors

The Bonds in brief

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference (see below section “Overview of financial reporting and documents incorporated by reference”) and the full Terms and Conditions for the Bonds, which can be found in section “Terms and Conditions for the Bonds”, before a decision is made to invest in the Bonds.

Concepts and terms defined in section “Terms and Conditions for the Bonds” are used with the same meaning in this section unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus.

Summary of the Bonds

The Bonds are debt instruments (Sw. *skuldförbindelser*) of the type set forth in Chapter 1 Section 3 of the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) intended for public market trading, which confirm that each Bondholder has a claim against the Company. The Company resolved to issue the Bonds on 8 November 2017. The purpose of the Bond Issue was to raise funds to be used towards (i) prepayment (in part or in full) the total outstanding amount under the Outstanding AKB Bonds, or (ii) for general corporate purposes of the Group (including acquisitions). The Issue Date for the Bonds was 5 December 2017. The Bonds will mature on 5 December 2022.

The aggregate Nominal Amount of the Bonds is maximum SEK 1,000,000,000 represented by Bonds denominated in SEK with ISIN SE0010547042, each with a Nominal Amount of SEK 1,000,000. The Bonds were issued at a price equal to 100.00 per cent. of the Nominal Amount. As of the date of this Prospectus, SEK 600,000,000 of the bond loan has been issued. The Issuer may, subject to certain conditions, set out in the Terms and Conditions, issue additional Bonds.

The Bonds have been issued in accordance with Swedish law and are connected to the account-based system of Euroclear Sweden AB, registration number 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden. This means that the Bonds are registered on behalf of the Bondholders on a securities account (Sw. *VP-konto*). No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding of preliminary tax will be made through Euroclear’s book-entry system.

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Company and without any preference among them.

The Company shall redeem all outstanding Bonds at 100.00 per cent. of the Nominal Amount together with accrued but unpaid interest on the Final Redemption Date, unless previously redeemed or repurchased in accordance with Clause 10 “*Redemption and repurchase of the Bonds*” or terminated in accordance with Clause 14 “*Termination of the Bonds*” of the Terms and Conditions.

The Company may choose to redeem all, but not only some, of the Bonds in full on any Business Day at a redemption price equal to the Make Whole Amount together with accrued but unpaid interest (see further Clause 10.3 “*Early voluntary redemption by the Issuer (call option)*” of the Terms and Conditions).

Upon a Change of Control Event, Listing Failure Event or a De-listing Event, each Bondholder has a right of pre-payment (put option) of its Bonds at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid interest (see further Clause 10.4 “*Mandatory repurchase due to a Change of Control Event, Listing Failure Event or a De-listing Event (put option)*” of the Terms and Conditions).

Payment or repayment of the Nominal Amount and/or interest will be made to the person who is a Bondholder on the Record Date immediately preceding the relevant payment date. Payments shall be made in SEK. The right to receive payment of the Nominal Amount is time-barred and becomes void ten years from the relevant Redemption Date.

The Bonds issued under the Initial Bond Issue bear interest from, but excluding, the First Issue Date, and in respect of any Subsequent Bond, such Subsequent Bond will bear interest from, but excluding, the Interest Payment Date falling immediately prior to their issuance up to, and including, the Relevant Redemption Date at a floating rate of STIBOR (3 months) + 3.50 per cent. *per annum*. Interest is paid quarterly in arrears on each Interest Payment Date and is 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). The Interest Payment Dates are 1 January, 1 April, 1 July and 1 October each year (with the first Interest Payment Date on 1 April 2018 and the last Interest Payment Date being the final Redemption Date). The right to receive payment of interest is time-barred and becomes void three years from the relevant due date for payment.

Nordic Trustee & Agency AB (publ) AB, registration number 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden is acting as Agent for the Bondholders in relation to the Bonds, and, if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf. 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 to the Agent’s satisfaction), as the Agent deems necessary for the purpose of 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 of the Agent.

An agreement was entered into between the Agent and the Company on 14 November 2017 regarding, *inter alia*, the remuneration payable to the Agent. The Agent Agreement is available at the Agent’s office. The rights and obligations of the Agent are set forth in the Terms and Conditions which are available at the Company’s web page, www.volati.se.

Each of the Company, the Agent and Bondholders representing at least ten (10) per cent. of the Adjusted Nominal Amount, may request that a Bondholders’ Meeting is convened (see further section 17 “*Bondholders’ Meeting*” of the Terms and Conditions) or request a Written Procedure (see further section 18 “*Written Procedure*” of the Terms and Conditions). Such Bondholders’

Meeting or Written Procedure may, upon votes representing a relevant majority of Bondholders eligible for voting, cause resolutions to be validly passed and binding on all Bondholders.

If the Bonds have been duly declared due and payable due to an Event of Default, the available funds shall *firstly* be applied in or towards payment *pro rata* of all unpaid fees, costs and expenses payable by the Issuer to the Agent, including such costs relating to, amongst others, the termination of the Bonds, and of any non-reimbursed costs incurred by the Agent for external experts and in relation to a Bondholder's meeting or a Written Procedure, *secondly* in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds, *thirdly* in or towards payment *pro rata* of any unpaid principal under the Bonds and *fourthly* in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents. Any excess funds shall be transferred to the Issuer.

The Bonds are freely transferrable and trading can occur from their date of issuance. Bondholders may, however, be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) for business). Each Bondholder must ensure compliance with such restrictions at their own cost and expense. All Bond transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon the completion of a transfer.

To simplify trading in the Bonds, the Company intends to apply for listing of the Bonds on Nasdaq Stockholm in connection with the Swedish Financial Supervisory Authority's approval of this Prospectus. The number of Bonds being admitted to trading if the application is approved by Nasdaq Stockholm is 600. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 19 December 2017. The fact that an application regarding listing of the Bonds on Nasdaq Stockholm has been submitted does not mean that the application will be approved. The total expenses of the admission to trading of the Bonds are estimated to amount to SEK 150,000.

Each Bondholder has a right to pre-payment (put option) if the Initial Bonds have not been admitted to trading within four (4) calendar months from the First Issue Date (although the Issuer will use its best efforts to list the Initial Bonds within thirty (30) days from the First Issue Date). However, in relation to any Subsequent Bond Issue the Issuer has undertaken to ensure that the volume of Bonds listed on Nasdaq Stockholm shall be increased accordingly, within fifteen (15) Business Days after the relevant date on which such Subsequent Bond Issue is made. For the avoidance of doubt, Bonds issued in any Subsequent Bond Issue may be admitted to trading pursuant to this Prospectus within one year after the approval of this Prospectus by the Swedish Financial Supervisory Authority.

The Company and its operations

Introduction

Volati AB (publ) is a public limited liability company registered in Sweden with registration number 556555-4317, having its registered address at Engelbrektsplan 1, SE-114 34, Stockholm, Sweden. The Company is domiciled in Stockholm municipality, Sweden. The Company was formed on 17 April 1998 and registered with the Swedish Companies Registration Office on 23 April 1998. However, the Company's current business started in 2003 and the registration of the firm Volati AB was made on 5 September 2007. The Company is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*).

Share capital, shares, ownership structure and governance

According to its articles of association, the Company's share capital shall be no less than SEK 5,000,000 and not more than SEK 20,000,000 divided into no less than 40,000,000 shares and not more than 160,000,000 shares. As of the date of this Prospectus, the Company's current share capital was SEK 10,251,293.125 divided among 1,603,774 preference shares (Sw. *preferensaktier*) and 80,406,571 ordinary shares (Sw. *stamaktier*). Preference shares entitles the holder to one tenth (1/10) vote, and ordinary shares entitles the holder to one (1) vote. The shares are denominated in SEK.¹ The Company's shares are publicly traded on Nasdaq Stockholm since 30 November 2016.

The Company is the parent company in the Group that consists of four business areas and 14 business units. The Group comprises of the Company and approximately 100, directly or indirectly, partly or wholly owned subsidiaries. The Group's business is conducted by the Company's operational subsidiaries located in a number of countries and the Company is dependent upon such subsidiaries. The Company's main geographic focus is the Nordic countries, primarily Sweden.

The largest shareholders of the Company are: Karl Perlhagen, through company, (founder of Volati and chairman of the Company's board of directors) with 42.24 per cent. of the share capital and 42.77 per cent. of the votes, Patrik Wahlén (founder of Volati and board member) with 23.24 per cent. of the share capital and 23.64 per cent. of the votes, Didner & Gerge Fonder Aktiebolag with 5.26 per cent. of the share capital and 5.36 per cent. of the votes, Fjärde AP-fonden with 4.46 per cent. of the share capital and 4.54 per cent of the votes, Handelsbanken fonder with 4.26 per cent. of the share capital and 4.34 per cent of the votes, Mårten Andersson with 3.06 per cent. of the share capital and 3.12 per cent. of the votes, Mattias Björk with 2.64 per cent. of the share capital and 2.69 per cent. of the votes and SEB Investment Management with 2.14 per cent. of the share capital and 2.18 per cent of the votes.²

Volati has an incentive programme with warrants for a senior executive of the Company, which comprises 4,174,570 warrants. These warrants entitle subscription for 834,914 ordinary shares in the Company.³

¹ The Company's e-registration certificate per 22 November 2017.

² The Company's interim report for the financial period from 1 July 2017 to 30 September 2017, p. 15. The interim report has been reviewed by the Company's auditor.

³ The Company's interim report for the financial period from 1 July 2017 to 30 September 2017, p. 14. The interim report has been reviewed by the Company's auditor.

The shareholders' influence is exercised through active participation in the decisions made at general meetings of the Company. To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act and the Swedish Code of Corporate Governance. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions for the managing director adopted by the board of directors.

Business and operations

The object of the Company's business, which is set forth in paragraph 3 of its articles of association, is to own and manage shares in companies, conduct management consultancy and any other similar activities.

Volati is an industrial group comprising 14 business units, organised into four business areas: Trading, Industry, Consumer and Akademibokhandeln. As of the date of this Prospectus the Group has about 50 operating companies in 16 countries.⁴ The Company primarily acquires stable entities within the Nordics with proven business models, leading market positions and strong cash flows at reasonable valuations, and develops these with an emphasis on long-term value creation. Volati's corporate-development strategy is based on retaining the entrepreneurial spirit of companies and, in addition, adding leadership, expertise, processes and financial resources.

The companies of the Group are of varying size and conduct business in a wide range of industries. The business area Trading is organised in seven business units and focuses on the following market segments: construction consumables and hardware, home and garden, agroforestry and building materials, packaging solutions and logistics. The most recent acquisition to be added to this business area, as a new business unit, is T-Emballage AB (including its subsidiary Innovexa AB). The Company has acquired 94.0 per cent. of the shares in T-Emballage AB and the acquisition was completed in November 2017. The business area Consumer is organised in three business units and focuses on various Business-to-Consumer niches, within areas such as the sale of health products and vehicle inspection services. The business area Industry is organised in three business units focusing on various Business-to-Business niches, within areas such as the development and distributions of drying, dehumidification and decontamination equipment and the manufacturing of grain handling equipment. The Consumer and Industry business areas are managed by strong local entrepreneurship in combination with collaboration in selected areas.

In July 2017 the Company acquired 95.04 per cent. of the shares in the book retailer AKB, including Bokus AB. Akademibokhandeln constitutes its own business area in addition to the business areas Trading, Industry and Consumer, and is organised in a single business unit. Akademibokhandeln conducts business within the book retail industry, through physical bookstores and as an online retailer.⁵

Material agreements

Otherwise than as mentioned below, no Group Company is party to any material agreement outside the ordinary course of business which could result in a Group Company having a right or an

⁴ The Company's interim report for the financial period from 1 July 2017 to 30 September 2017, p. 5. The interim report has been reviewed by the Company's auditor.

⁵ The Company's interim report for the financial period from 1 July 2017 to 30 September 2017, p. 9 and 12. The interim report has been reviewed by the Company's auditor.

obligation that could materially affect the Company's ability to meet its obligations to the bondholders.

Description of material agreements

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

Working capital facility entered into by the Company

On 25 October 2016 the Company entered into a SEK 750 million credit facility agreement with Nordea Bank AB (publ). The obligations under the credit facility agreement are unsecured and rank *pari passu* with the obligations of the Company under the Terms and Conditions of the Bonds. The purpose of the credit facility agreement was to partly refinance the Company's previous credit facility agreement, to finance acquisitions and to be used for general corporate purposes.

Parent guarantee entered into by the Company

The Company has entered into a parent guarantee (*Sw. moderbolagsborgen*) for all Group Companies with respect to their liabilities as regards normal banking activities to Nordea Bank AB (publ).

Working capital facility entered into by Bokhandelsgruppen AB

Bokhandelsgruppen AB (a subsidiary to AKB) entered into a credit agreement with Nordea Bank AB (publ) regarding a SEK 75 million working capital facility on 3 July 2017. The purpose of the credit agreement is to be used for working capital purposes. The Company has provided a guarantee for the benefit of Nordea AB (publ) with respect to the liabilities under the credit agreement.

Outstanding bonds issued by AKB

On 10 March 2017, AKB issued senior secured floating rate bonds in an initial aggregate amount of SEK 500 million. The AKB Bonds were issued prior to the Company's acquisition of AKB. The final maturity date of the AKB Bonds is 10 March 2021. AKB has the possibility to redeem such bonds in advance of their maturity date in accordance with the terms and conditions of the AKB Bonds. AKB's obligations under the AKB Bonds are guaranteed by Akademibokhandelsgruppen AB and, in addition, by the Company but limited to SEK 25 million.

Litigation

The Company has not, during the previous twelve months, been involved in and is not aware of, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) which may have, or have had, significant effects on the Company's and/or the Group's financial position or profitability. However, the Company is from time to time involved in legal proceedings in the ordinary course of business.

Credit rating

Neither the Company nor the Bonds have a credit rating from an international credit rating institute.

Significant adverse changes and recent events

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited financial report and, other than the issuance of the Bonds on 5 December 2017, no significant change in the financial or market position of the Group since the end of the last financial period for which interim financial information has been published.

Shareholders' agreements

As far as the Company is aware, there are no shareholders' agreements or other agreements which could result in a change of control of the Company.

Board of directors, senior management and auditors

The business address for all members of the board of directors and the senior management is: Volati AB (publ), Engelbrektsplan 1, SE-114 34, Stockholm, Sweden. The board of directors of the Company currently consists of five members. Information regarding the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set out below.

Board of directors

Karl Perlhagen

Born 1970 and of Swedish nationality, founder of Volati. Member of the board of directors of the Company since 2003 and chairman since 2005. Assignments outside the Company's business include: chairman of the board of Fridhems Intressenter Gladan AB, Fridhem Fastighetsutveckling Stockholm AB and Fridhem Grönskogen AB. Board member of Italo Invest AB (as well as assignments in subsidiaries of Italo Invest AB) and Ullna Golf Aktiebolag.

Patrik Wahlén

Born 1969 and of Swedish nationality, founder of Volati. Member of the board of directors of the Company since 2006. Assignments outside the Company's business include: deputy board member of Italo Invest AB (as well as of subsidiaries of Italo Invest AB) and Wahlén & Partner AB.

Björn Garat

Born 1975 and of Swedish nationality. Member of the board of directors of the Company since 2015. Assignments outside the Company's business include: CFO and deputy CEO of AB Sagax (as well as assignments in subsidiaries of AB Sagax), board member of Manolo Holding AB and Paco Holding AB. Deputy board member of LMG Distribution Aktiebolag.

Christina Tillman

Born 1968 and of Swedish nationality. Member of the board of directors of the Company since 2016. Assignments outside the Company's business include: CEO of Happy Plugs AB and chairman of the board of directors of House of Dagmar AB. Board member of Coop Sverige AB, Corem Property Group AB and Tobin Properties AB. Deputy board member of Kattvik Financial Services Aktiebolag and Stocksunds Fastighets AB.

Louise Nicolin

Born in 1973 and of Swedish nationality. Member of the board of directors of the Company since 2016. Assignments outside the Company's business include: chairman of the board of directors of AB Better Business World Wide, Sweden. Board member of VBG Group AB (publ), Enzymatica AB (publ), Dellner Couplers Aktiebolag and UppdragsHuset i Sverige Aktiebolag. Deputy board member of Art for a reason AB.

Senior management

Mårten Andersson

Mårten Andersson is CEO of the Company since 2014 and is also head of the business area Consumer. Mårten Andersson holds no other assignments outside the Company.

Mattias Björk

Mattias Björk is CFO of the Company since 2009. Assignments outside the Company's business include: deputy board member of Virtual Intelligence VQ AB (as well as of subsidiaries of Virtual Intelligence VQ AB) and Riddervold Bygg & Design AB.

Pär Warnström

Pär Warnström is head of business development of the Company since 2013. Assignments outside the Company's business include: board member of Konstapel Stockholm AB.

Voria Fattahi

Voria Fattahi is investment director since 2015. Assignments outside the Company's business include: board member of Vostok Emerging Finance Ltd.

Mårten Sundberg

Mårten Sundberg is head of the business area Trading since 2016. Assignments outside the Company's business include: chairman of the board of directors of PGA of Sweden National AB.

Nicklas Margård

Nicklas Margård is head of the business area Industry since 2017. Assignments outside the Company's business include: board member of Micvac AB.

Johan Ekström

Johan Ekström is head of operations of the Company since 2017. Johan Ekström holds no assignments outside the Company.

Karin Rosenthal

Karin Rosenthal is head of finance of the Company since 2017. Karin Rosenthal holds no assignments outside the Company.

Maria Hamrefors

Maria Hamrefors is head of the business area Akademibokhandeln since 2017. Assignments outside the Company's business include: chairman of Vi Media AB and board member of Blomstergruppen i Sverige AB.

Auditors

Öhrlings PricewaterhouseCoopers AB has been the Company's auditor for the period covered by the historical financial information incorporated into this Prospectus by reference. Up and until the financial year 2015, Sten Håkansson, member of the Swedish Institute of Authorised Public Accountants (FAR), was the auditor in charge. At the annual general meeting on 18 May 2016 Öhrlings PricewaterhouseCoopers AB was re-elected as the Company's auditor with the appointment of Niklas Renström as the principal auditor until the next annual general meeting which took place on 18 May 2017 whereupon Öhrlings PricewaterhouseCoopers AB was re-

elected as the Company's auditor with Niklas Renström as the principal auditor until the next annual general meeting 2018. Niklas Renström is a member of FAR. The business address of Öhrlings PricewaterhouseCoopers AB is: Öhrlings PricewaterhouseCoopers AB, SE-113 97 Stockholm.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Company's auditors.

Conflicts of interests within administrative, management and control bodies

None of the members of the board of directors or the senior management of the Company has a private interest that may be in conflict with the interests of the Company.

Although there are currently no conflicts of interest, it cannot be excluded that conflicts of interest may come to arise between companies in which members of the board of directors and members of the senior management have duties, as described above, and the Company.

Interest of natural and legal persons involved in the Bond Issue

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

Financial interests

All members of the board of directors and several members of the senior management have a financial interest in the Company through their holdings of shares and/or share warrants in the Company.

Dependence on subsidiaries and associated companies

A significant part of the Group's assets and revenues relate to the Company's subsidiaries and associated companies. Accordingly, the Company's operating results and financial position is dependent upon receipt of income related to the operation of and the ownership in such entities.

Overview of financial reporting and documents incorporated by reference

The accounting principles applied in the preparation of the Company's financial statements presented below are set out in the following and have been consistently applied to all the years presented, unless otherwise stated.

The financial information for the financial years ending 31 December 2015 and 31 December 2016 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, RFR 1 (Sw. *Kompletterande redovisningsregler för koncerner*) and the Swedish Annual Accounts Act.

The Company's consolidated annual reports for the financial years ended 31 December 2015 and 31 December 2016 have been incorporated in this Prospectus by reference. The consolidated annual reports have been audited by the Company's auditor. The auditor's reports have been incorporated in this Prospectus through the consolidated annual reports for the financial years ended 31 December 2015 and 31 December 2016 by reference. The information incorporated by reference is to be read as part of this Prospectus.

In this Prospectus the following documents are incorporated by reference. The documents have been made public and have been handed in to the Swedish Financial Supervisory Authority.

Reference	Document	Page
Financial information regarding the Company and its business for the financial year ended 31 December 2015	Volati's consolidated annual report for the financial year ended 31 December 2015 ⁶	- 110 (consolidated income statement)
		- 110 (consolidated statement of comprehensive income)
		- 111 (consolidated balance sheet)
		- 112 (consolidated cash flow statement)
		- 113 (consolidated statement of changes in equity)
		- 114-153 (notes)
		- 166-167 (definitions and glossary)
Auditor's report for the financial year ended 31 December 2015	Volati's consolidated annual report for the financial year ended 31 December 2015 ⁷	- 164-165 (auditor's report)
Financial information regarding the Company and its business for the	Volati's consolidated annual report for the financial period ended 31 December 2016 ⁸	- 108 (consolidated income statement)
		- 108 (consolidated statement of comprehensive income)
		- 109 (consolidated balance sheet)

⁶ <https://mb.cision.com/Public/12520/9943341/9c440a89f22e455d.pdf>

⁷ <https://mb.cision.com/Public/12520/9943341/9c440a89f22e455d.pdf>

⁸ <https://mb.cision.com/Main/12520/2233293/653796.pdf>

financial period ended 31 December 2016		<ul style="list-style-type: none">- 110-111 (consolidated cash flow statement)- 111 (consolidated statement of changes in equity)- 112-166 (notes)
Auditor's report for the financial year ended 31 December 2016	Volati's consolidated annual report for the financial period ended 31 December 2016 ⁹	<ul style="list-style-type: none">- 174-178 (auditor's report)

Investors should read all information which is incorporated in the Prospectus by reference. Information in the above documents which is not incorporated by reference is either deemed by the Company not to be relevant for investors in the Bonds or is covered elsewhere in the Prospectus. The documents can be obtained in paper format at the Company's head office and are also available at the Company's web page, www.volati.se.

⁹ <https://mb.cision.com/Main/12520/2233293/653796.pdf>

Documents available for inspection

Copies of the following documents can be obtained from the Company in paper format during the validity period of this Prospectus at the Company's head office. The articles of association of the Company and all documents which by reference are a part of this Prospectus are also available at the Company's web page, www.volati.se.

- The articles of association of the Company.
- All documents which by reference are a part of this Prospectus.
- Where such reports have been prepared, the Company's subsidiaries' audited annual reports for the financial years 2015 and 2016 (*i.e.* for the entire period for which financial information of the Company is being presented), including historical financial information for the Company and its subsidiaries.

Terms and Conditions for the Bonds

**TERMS AND CONDITIONS FOR
VOLATI AB (PUBL)
MAXIMUM SEK 1,000,000,000
SENIOR UNSECURED CALLABLE FLOATING RATE
BONDS 2017/2022**

ISIN: SE0010547042

First Issue Date: 5 December 2017

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.

Gernandt & Danielsson

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**TERMS AND CONDITIONS FOR
VOLATI AB (PUBL)
MAXIMUM SEK 1,000,000,000
SENIOR UNSECURED CALLABLE FLOATING RATE BONDS
2017/2022
ISIN: SE0010547042**

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) however always subject to the Operational Lease Freeze.

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

“**Advance Purchase Agreements**” means (i) 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 ninety (90) calendar days after the date of supply, or (ii) any other trade credit incurred in the ordinary course of business.

“**Affiliate**” means any Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with another 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.

“**Agent**” means the Bondholders’ agent under these Terms and Conditions and, if relevant, the other Finance Documents, from time to time; initially Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879) Stockholm, Sweden.

“**Agent Agreement**” means the agreement entered into on or about the First Issue Date between the Issuer and the Agent, or any replacement agent agreement entered into after the First Issue Date between the Issuer and an Agent.

“**AKB Financing**” means the Outstanding AKB Bonds and the SEK 75,000,000 working capital credit agreement entered into on 3 July 2017 between Bokhandelsgruppen i Sverige AB (reg. no. 556204-5004) and Nordea.

“**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.

“**Bond Issue**” means the Initial Bond Issue and any Subsequent Bond Issue.

“**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 17 (*Bondholders’ Meeting*).

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

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

“**Call Option Amount**” means:

- (a) 101.750 per cent. of the Nominal Amount if the call option is exercised on or after the First Call Date up to (but not including) the date falling forty-two (42) months after the First Issue Date;

- (b) 100.875 per cent. of the Nominal Amount if the call option is exercised on or after the date falling forty-two (42) months after the First Issue Date up to (but not including) the date falling fifty-four (54) months after the First Issue Date;
- (c) 100.438 per cent. of the Nominal Amount if the call option is exercised on or after the date falling fifty-four (54) months after the First Issue Date up to (but not including) the Final Redemption Date; and
- (d) 100.00 per cent. of the Nominal Amount if the call option is exercised on or after the date falling fifty-seven (57) months after the First Issue Date up to (but not including) the Final Redemption Date provided that such early redemption is financed partly or in full by way of the Issuer issuing a Market Loan.

“**Cash and Cash Equivalents**” means cash and cash equivalents in accordance with the Accounting Principles.

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

“**Change of Control Event**” means the occurrence of an event or series of events whereby one or more Persons (other than the Main Shareholder) acting together, acquire control over the Issuer and where “control” means (a) controlling, directly or indirectly, more than fifty (50.00) per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, in form and substance reasonably satisfactory to the Agent, signed by CFO, CEO or another authorised signatory of the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it.

“**Conditions Precedent to the First Issue Date**” means all actions and documents set forth in Clause 13 (*Conditions Precedent to the First Issue Date*).

“**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).

“**De-listing Event**” means the situation where (i) the Issuer’s ordinary shares are no longer listed and admitted to trading on Nasdaq Stockholm or any other Regulated Market;(ii) trading of the Issuer’s listed ordinary shares on the aforementioned stock exchanges is suspended for a period of fifteen (15) consecutive Business Days, or (iii) once the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) that the Bonds are no longer listed 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).

“**Derivative Transaction**” has the meaning set forth in paragraph (h) of the definition “Permitted Debt”.

“**EBITDA**” means, in respect of the Relevant Period, the consolidated profit of the Group from ordinary activities determined in accordance with the Accounting Principles and set out in the latest Financial Report, however, adjusted in accordance with the principles applied as of the First Issue Date for adjusted EBITDA (Sw. *justerad EBITDA*) as defined in the Issuer’s interim Financial Report as of the First Issue Date.

“**Event of Default**” means an event or circumstance specified in Clause 14.1.

“**Final Redemption Date**” means 5 December 2022.

“**Finance Documents**” means these Terms and Conditions, the Agent Agreement and any other document designated to be a Finance Document by the Issuer and the Agent.

“**Finance Lease**” means the amount of any liability in respect of any finance leases, to the extent the arrangement is or would have been treated as a finance lease (a lease which in the accounts of the Group is treated as an asset and a corresponding liability) in accordance with the Accounting Principles.

“**Financial Indebtedness**” means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans and commercial papers (excluding, for the avoidance of doubt, any Put Option Obligation);

- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (not including receivables sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (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 12.9 (*Financing reporting etcetera*).

“First Call Date” means the date falling thirty (30) months after the First Issue Date.

“First Issue Date” means 5 December 2017.

“Force Majeure Event” has the meaning set forth in Clause 26.1.

“Group” means the Issuer and all of its Subsidiaries from time to time (each a **“Group Company”**).

“Incurrence Test” means the ratios specified in Clause 11 (*Incurrence Test*).

“**Incurrence Test Date**” means the date on which any Restricted Payment is made or any Financial Indebtedness is incurred each which require that the Incurrence Test is met.

“**Initial Bond Issue**” means the issuance of Bonds on the First Issue Date.

“**Interest**” means the interest on the Bonds calculated in accordance with Clause 9 (*Interest*).

“**Interest Payment Date**” means 1 January, 1 April, 1 July and 1 October each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 1 April 2018 and the last Interest Payment Date being the Final Redemption Date).

“**Interest Period**” means each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of Subsequent Bonds, each period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means a floating rate of STIBOR (three (3) months) plus 3.50 per cent. *per annum*. Interest shall never be calculated as being an amount less than zero (0).

“**Issue Date**” means the First Issue Date and any other date on which Subsequent Bonds are issued.

“**Issuer**” means Volati AB (publ) (reg. no. 556555-4317).

“**Issuing Agent**” means Nordea or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Joint Bookrunners**” means Nordea and Skandinaviska Enskilda Banken AB (publ) (reg. no. 502032-9081).

“**Listing Failure Event**” shall be deemed to have occurred if the Bonds issued in the Initial Bond Issue have not been admitted to trading within four (4) calendar months from the First Issue Date (although the Issuer will use its best efforts to list the Bonds issued in the Initial Bond Issue within thirty (30) days from the First Issue Date).

“**Main Shareholder**” means Karl Perlhagen, his estate (Sw. *dödsbo*) or any of his direct heirs, by way of direct or indirect ownership of shares in the Issuer.

“**Make Whole Amount**” means an amount equal to the sum of:

- (a) the present value on the relevant record date of 101.750 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the remaining interest payments, (excluding accrued but unpaid Interest up to the relevant Redemption Date) up to and including the First Call Date (assuming that the Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders);

both present values under paragraphs (a) and (b) above calculated by using a discount rate of fifty (50.00) basis points over the comparable Swedish Government Bond Rate (*i.e.* comparable to the remaining duration of the Bonds until the First Call Date) (together with accrued but unpaid interest on the redeemed amount up to the relevant redemption date) and where “relevant record date” shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

“**Market Loan**” means any loan or other indebtedness where an entity issues 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 Nasdaq Stockholm or any other regulated or unregulated recognised market place.

“**Material Adverse Effect**” means a material adverse effect on (i) the business, financial condition or operations of the Group taken as a whole, (ii) the Issuer’s ability to perform and comply with its payment and other undertakings under the Finance Documents, or (iii) the validity or enforceability of the Finance Documents.

“**Material Group Company**” means the Issuer or a Subsidiary which together with its Subsidiaries on a consolidated basis represent (i) more than seven and a half (7.50) per cent. of the Total Assets (for the

avoidance of doubt, excluding any intra-group transactions) or (ii) more than five (5.00) per cent. of the EBITDA of the Group according to the latest consolidated Financial Report of the Group.

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm Aktiebolag (reg. no. 556420-8394).

“**Net Interest Bearing Debt**” means the aggregate interest bearing debt (excluding (i) any interest bearing debt borrowed from any Group Company and (ii) for the avoidance of doubt, any Put Option Obligation) less Cash and Cash Equivalents of the Group as per the Incurrence Test Date and in accordance with the Accounting Principles.

“**Net Proceeds**” means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue which after deduction has been made for the Transaction Costs payable by the Issuer to the Joint Bookrunners (if the Joint Bookrunners have requested that their respective fees and costs shall be deducted).

“**Nominal Amount**” means SEK 1,000,000.

“**Nordea**” means Nordea Bank AB (publ) (reg. no. 516406-0120).

“**Operational Lease Freeze**” means that any leases treated as operating leases under the Accounting Principles as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of the Accounting Principles, be considered as finance or capital leases.

“**Outstanding AKB Bond**” means the outstanding senior unsecured callable bonds issued on 11 March 2017 with ISIN SE0009690084 by the Issuer’s Subsidiary, Akademibokhandeln Holding AB (publ) (reg. no. 559101-0938).

“**Permitted Basket**” has the meaning set forth in paragraph (n) of the definition “Permitted Debt”.

“**Permitted Debt**” means any Financial Indebtedness:

- (a) incurred under the Finance Documents (including pursuant to any Subsequent Bond Issue, if such incurrence meets the Incurrence Test (calculated *pro forma* including such incurrence));
- (b) incurred, as of the First Issue Date, under the AKB Financing until the Outstanding AKB Bonds are repaid in full;

- (c) incurred under any overdraft facilities in the ordinary course of the Group's business and in an aggregate amount not at any time exceeding SEK 300,000,000;
- (d) 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;
- (e) of the Group incurred pursuant to any Finance Lease incurred in the ordinary course of the Group's business in a maximum amount of SEK 100,000,000 to be increased (but, for the avoidance of doubt, never to be adjusted downwards) to SEK 200,000,000 should EBITDA for the Relevant Period in accordance with the latest Financial Report amount to SEK 750,000,000 or more;
- (f) taken up from a Group Company;
- (g) incurred under any Shareholder Loans;
- (h) arising under (i) a derivative transaction entered into by a Group Company in connection with protection against or benefit from fluctuation in any currency, rate or price where such exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions (excluding for the avoidance of doubt any derivative transaction which in itself is entered into for investment or speculative purposes) or (b) any interest rate hedging transactions in respect of payments to be made under any Permitted Debt, but not any transaction for investment or speculative purposes (both referred to as "**Derivative Transaction**");
- (i) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holds Financial Indebtedness, provided that the Incurrence Test is met, calculated *pro forma* including the acquired entity in question, and such Financial Indebtedness is unwound within a clean-up period of twelve (12) calendar months from completion of the relevant acquisition;
- (j) incurred in the ordinary course of business under Advance Purchase Agreements;

- (k) incurred by the Issuer if such Financial Indebtedness (i) meets the Incurrence Test (calculated *pro forma* including such incurrence) and (ii) ranks *pari passu* with or is subordinated to the obligations of the Issuer under these Terms and Conditions and under the Agent Agreement;
- (l) 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;
- (m) of the Group under any tax or pensions liabilities incurred in the ordinary course of business if such tax or pension liabilities would be regarded as Financial Indebtedness; and
- (n) not permitted by paragraphs (a) to (m) above incurred in the ordinary course of the Group's business and in an aggregate amount not at any time exceeding SEK 100,000,000 to be increased (but, for the avoidance of doubt, never to be adjusted downwards) to SEK 200,000,000 should EBITDA for the Relevant Period in accordance with the latest Financial Report amount to SEK 750,000,000 or more (all such Financial Indebtedness is together referred to as the "**Permitted Basket**").

"**Permitted Security**" means any guarantee or Security:

- (a) provided in accordance with the Finance Documents;
- (b) created under any guarantees provided by the Issuer on behalf of its Subsidiaries in relation to the Subsidiaries' due and punctual fulfilment of the terms and conditions of the Subsidiaries' normal banking transactions;
- (c) provided in relation to any overdraft facilities constituting Permitted Debt;
- (d) provided in relation to any agreement under which a Group Company leases office space (Sw. *kontorshyresavtal*) or other premises provided that such lease constitutes Permitted Debt;
- (e) provided in relation to any Finance Lease but only relating to the leased asset;

- (f) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or Security in respect of any monies borrowed or raised);
- (g) arising under any netting or set off arrangements under Derivative Transactions or bank account arrangements, including group cash pool arrangements;
- (h) provided by an entity acquired by a Group Company, provided that the debt secured or guaranteed with such Security or guarantee constitutes Permitted Debt in accordance with paragraph (i) of the definition “Permitted Debt”, and, if applicable, following a repayment of such debt, that the Security or guarantee is released immediately after such repayment; and
- (i) provided in relation to the AKB Financing (but only in relation to any guarantee or Security existing on the First Issue Date) or the Permitted Basket.

“**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.

“**Preference Shares and Hybrid Instruments**” means outstanding preference shares issued by the Issuer from time to time and other equity like capital that is partly or fully treated as equity according to the Accounting Principles.

“**Put Option Obligation**” means any obligation for a Group Company to purchase shares from a minority shareholder of another Group Company following such minority shareholder’s exercise of a contractual put option right.

“**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 First 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 15 (*Distribution of proceeds*) or (iv) 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 10 (*Redemption and repurchase of the Bonds*).

“**Regulated Market**” means any regulated market (as defined in Directive 2004/39/EC on markets in financial instruments).

“**Relevant Period**” means each period of twelve (12) consecutive calendar months.

“**Restricted Payment**” has the meaning set forth in Clause 12.1 (*Distributions*).

“**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.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended from time to time.

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

“**SEK**” means the lawful currency of Sweden.

“**Shareholder Loans**” means any shareholder loans provided by minority shareholders in a Group Company to such Group Company (a “**Borrower**”) provided that (a) the total amount under such shareholder loans does not exceed the total amount under any intra-group loans provided by a Group Company (being a direct or indirect shareholder to the Borrower) to the Borrower and (b) the shareholder loans do not in aggregate exceed corresponding *pro rata* ownership in the Borrower.

“**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 (4) decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. on the Quotation Date; 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 (4) 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.

"Subsequent Bond" means any Bond issued in a Subsequent Bond Issue.

"Subsequent Bond Issue" means Subsequent Bonds issued by the Issuer under these Terms and Conditions after the First Issue Date.

"Subsidiary" means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (i) owns shares or ownership rights representing more than fifty (50.00) per cent. of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50.00) per cent. of the total number of votes held by the owners, (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (iv) exercises control as determined in accordance with the Accounting Principles.

“**Swedish Government Bond Rate**” means the yield to maturity at the time of computation of direct obligations of Sweden, acting through the Swedish National Debt Office (a Swedish Government Bond; Sw. *statsobligation*) with a constant maturity (such yield to be the weekly average yield as officially compiled and published in the most recent financial statistics that has become publicly available at least two (2) Business Days (but not more than five (5) Business Days) prior to the relevant Record Date for the Redemption Date (or, if such financial statistics are not so published or available, any publicly available source of similar market data selected by the Issuer in good faith)) most nearly equal to the period from the relevant Redemption Date to the First Call Date; provided, however, that if the period from the relevant Redemption Date to the First Call Date is not equal to the constant maturity of a direct obligation of Sweden, acting through the Swedish National Debt Office for which a weekly average yield is given, the Swedish Government Bond Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth (1/12) of a year) from the weekly average yields of direct obligations of Sweden, acting through the Swedish National Debt Office, for which such yields are given, except that if the period from such Redemption Date to the First Call Date is less than one (1) year, the weekly average yield on actually traded direct obligations of Sweden, acting through the Swedish National Debt Office, adjusted to a constant maturity of one (1) year shall be used.

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

“**Transaction Costs**” means all fees, costs and expenses, stamp, registration and other taxes incurred by a Group Company in connection with (i) the Initial Bond Issue or a Subsequent Bond Issue, (ii) the redemption of the Outstanding AKB Bonds and (ii) the listing of the Bonds.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 18 (*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) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) 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;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) 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 Sweden 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 these Terms and Conditions shall impair or operate as a waiver of any such right or remedy.

2 THE AMOUNT, SUBSEQUENT BONDS AND UNDERTAKING TO MAKE PAYMENTS

2.1 The bond loan will be represented by Bonds, each of a nominal amount of SEK 1,000,000 or full multiples thereof. The total Nominal Amount of the Bonds issued in the Initial Bond Issue is SEK 600,000,000.

2.2 All Bonds issued in the Initial Bond Issue are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.

2.3 The ISIN for the Bonds is SE0010547042.

2.4 The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,000,000 and integral multiples thereof.

2.5 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions, amounting to in

total up to the difference of SEK 1,000,000,000 and the total Nominal Amount of the Bonds issued in the Initial Bond Issue, provided that:

- (a) the Incurrence Test is met (calculated *pro forma* including the Subsequent Bond Issue); and
 - (b) no Event of Default is continuing or would result from (i) the expiry of a grace period, giving of notice, making of any determination or any combination of any of the foregoing or (ii) the issue of the Subsequent Bonds.
- 2.6 Subsequent Bonds shall be issued subject to the Finance Documents and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Redemption Date applicable to the Bonds issued in the Initial Bond Issue shall also apply to Subsequent Bonds.
- 2.7 The price of Subsequent Bonds may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount.
- 2.8 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.9 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 2.10 Upon any Subsequent Bond Issue, the volume of Bonds listed on Nasdaq Stockholm promptly, but not later than fifteen (15) Business Days after the relevant date on which such Subsequent Bond Issue is made, shall be increased accordingly.
- 2.11 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 agreements.

3 STATUS OF THE BONDS

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them.

4 USE OF PROCEEDS

- 4.1 The Net Proceeds of the Initial Bond Issue shall be used towards (i) prepayment (in part or in full) the total outstanding amount under the Outstanding AKB Bonds, or (ii) for general corporate purposes of the Group (including acquisitions).

- 4.2 The Net Proceeds from any Subsequent Bond Issue shall be used for general corporate purposes of the Group (including acquisitions).

5 THE BONDS AND TRANSFERABILITY

- 5.1 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.
- 5.2 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.
- 5.3 Upon a transfer of Bonds, any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the transferee.
- 5.4 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.
- 5.5 The Bonds have not been registered under 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.
- 5.6 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.

6 BONDS IN BOOK-ENTRY FORM

- 6.1 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.

- 6.2 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.
- 6.3 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.
- 6.4 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 the Finance Documents, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 6.5 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.
- 6.6 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.
- 6.7 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

7 RIGHT TO ACT ON BEHALF OF A BONDHOLDER

- 7.1 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.

- 7.2 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.
- 7.3 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 Clauses 7.1 and 7.2 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.

8 PAYMENTS IN RESPECT OF THE BONDS

- 8.1 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.
- 8.2 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.
- 8.3 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 9.4 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to

pay, irrespective of whether such payment was made to a Person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.

- 8.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or any Subsequent 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.

9 INTEREST

- 9.1 The Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Bond will, however, carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.
- 9.2 Interest accrues during an Interest Period. 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.
- 9.3 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).
- 9.4 If the Issuer fails to pay any amount payable by it under the Finance Documents on the respective due dates, 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 (200.00) 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.

10 REDEMPTION AND REPURCHASE OF THE BONDS

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

10.2 The Group Companies' 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. However, Bonds may be cancelled if held by the Issuer and made in connection with a full redemption of the Bonds.

10.3 Early voluntary redemption by the Issuer (call option)

- 10.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day prior to the First Call Date, at an amount equal to the Make Whole Amount.
- 10.3.2 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day falling on or after the First Call Date, but before the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid Interest.
- 10.3.3 Redemption in accordance with Clauses 10.3.1 and 10.3.2 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.

10.4 Mandatory repurchase due to a Change of Control Event, Listing Failure Event or a De-listing Event (put option)

- 10.4.1 Upon a Change of Control Event, a Listing Failure Event or a De-listing Event 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 receipt of a notice from the Issuer of the relevant event pursuant to paragraph (e) of Clause 12.9.1 (*Financial reporting etcetera*). The thirty (30) calendar days' period may not start earlier than upon the

occurrence of the Change of Control Event, Listing Failure Event or the De-listing Event (as applicable).

- 10.4.2 The notice from the Issuer pursuant to paragraph (e) of Clause 12.9.1 (*Financial reporting etcetera*) 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 (e) of Clause 12.9.1 (*Financial reporting etcetera*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 10.4.1.
- 10.4.3 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 10.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 10.4 by virtue of the conflict.
- 10.4.4 Any Bonds repurchased by the Issuer pursuant to this Clause 10.4 may at the Issuer's discretion be disposed of in accordance with Clause 10.2 (*The Group Companies' purchase of Bonds*).

11 INCURRENCE TEST

11.1 Incurrence Test

The Incurrence Test is met if the ratio of Net Interest Bearing Debt to EBITDA is not greater than three point five (3.50) calculated and adjusted in accordance with Clause 11.3 below.

11.2 Application of the Incurrence Test

The Incurrence Test shall be applied in connection with:

- (a) the incurrence of Financial Indebtedness which requires that the Incurrence Test is met; or
- (b) a Restricted Payment being made which requires that the Incurrence Test is met, as specified in Clause 12.1.2,

until and including the Final Redemption Date.

11.3 Calculation and adjustment

- 11.3.1 The figures for EBITDA, for purposes of the Incurrence Test, to be adjusted so that:
- (a) entities acquired or disposed of by the Group during the Relevant Period and up until and including the Incurrence Test Date shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and
 - (b) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period.
- 11.3.2 The Net Interest Bearing Debt shall include the Restricted Payment or the new Financial Indebtedness (as applicable), provided such Financial Indebtedness is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt).

12 SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the special undertakings set forth in this Clause 12.

12.1 Distributions

- 12.1.1 The Issuer shall not, and shall procure that none of its Subsidiaries will (i) pay any dividend on its shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, or (iv) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's or its Subsidiaries' direct or indirect shareholders or to any Affiliates of the Issuer (paragraphs (i)-(iv) each being a "**Restricted Payment**").
- 12.1.2 Notwithstanding the above set out in Clause 12.1.1, if a Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, a Restricted Payment may be made by:
- (a) any Group Company, if such Restricted Payment is made to another Group Company and, if made by any of the Subsidiaries which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis; or
 - (b) the Issuer, provided that it constitutes dividend or interest payments on Preference Shares and Hybrid Instruments or any

other instruments taken up as equity in the Financial Reports of the Issuer (other than ordinary shares); or

- (c) the Issuer, provided that it constitutes a repurchase or redemption of Preference Shares and Hybrid Instruments provided such are replaced with other Preference Shares and Hybrid Instruments to at least the same amount; or
- (d) the Issuer, provided that the Incurrence Test (calculated on a *pro forma* basis including the relevant Restricted Payment) is met.

12.2 Nature of business

The Issuer shall procure that no substantial change is made to the general nature of the business as set out in the articles of association of the Issuer on the First Issue Date.

12.3 Financial Indebtedness

The Issuer shall not, and shall procure that none of the 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 Debt.

12.4 Negative pledge

The Issuer shall not, and shall procure that none of the Subsidiaries will, create or allow to subsist, retain, provide, prolong or renew any guarantee or Security over any of its/their 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.

12.5 Disposals of assets

The Issuer shall not, and shall procure that no Material Group Company, sell or otherwise dispose of shares in any Material Group Company or of all or substantially all of its or any Material Group Company's assets or operations to any Person not being the Issuer or any of the Subsidiaries, unless the transaction is carried out at fair market value and on arm's length terms and provided that the transaction does not have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably) as set out in Clause 12.9.2.

12.6 Dealings with related parties

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

12.7 Compliance with laws etcetera

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

12.8 Outstanding AKB Bonds

Provided that the request for amendments of the terms and conditions under the Outstanding AKB Bonds set out in a notice of written procedure issued on 13 November 2017 is approved by the bondholders under the Outstanding AKB Bonds, the Issuer shall procure that the issuer under the Outstanding AKB Bonds shall utilise the early call option, as amended, in the terms and conditions under the Outstanding AKB Bonds.

12.9 Financial reporting etcetera

12.9.1 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 (in English), 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 reports of the Issuer (in English), 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;
- (c) issue a Compliance Certificate to the Agent (i) in connection with the publication of the Financial Reports set out in paragraph (b) above after which, but only upon the Agent's reasonable request, further information as regards calculations and computations shall be provided and (ii) at the Agent's reasonable request, within twenty (20) calendar days from such request;
 - (d) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) available on its website;
 - (e) promptly notify the Agent (and, as regards a Change of Control Event, a Listing Failure Event and a De-listing Event the Bondholders) upon becoming aware of (i) the occurrence of a Change of Control Event, a Listing Failure Event or De-listing Event or (ii) that an Event of Default has occurred, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice;
 - (f) prepare the Financial Reports referred to under paragraphs (a) and (b) above 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, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time); and
 - (g) provide any other information to the Agent required by the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time) and the rules and regulations of Nasdaq Stockholm provided that such disclosure of information is not in violation of any applicable law.

12.9.2 The Issuer shall notify the Agent of any transaction which is not within the ordinary course of business as referred to in Clause 12.5 (*Disposals of assets*) and the Issuer shall, upon request by the Agent, provide the Agent with (i) any information relating to such transaction which the Agent deems necessary (acting reasonably), and (ii) a certificate from the Issuer which states whether the transaction is carried out on market terms and at fair market value or not and whether it has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer

is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out on market terms or at fair market value and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under paragraph (ii) above.

12.10 Agent Agreement

12.10.1 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.

12.10.2 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.

12.11 CSD related undertakings

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

13 CONDITIONS PRECEDENT TO THE FIRST ISSUE DATE

The Issuer shall provide to the Agent, prior to the First Issue Date, the following:

- (a) copies of constitutional documents of the Issuer;
- (b) copies of necessary corporate resolutions (including authorisations) of the Issuer; and
- (c) executed copies of the Finance Documents.

14 TERMINATION OF THE BONDS

14.1 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 14.6 or 14.7, 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) and exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) **Non-payment:** The Issuer 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;
- (b) **Other obligations:** The Issuer does not comply with the Finance Documents, in any other way than as set out under paragraph (a) above, unless the non-compliance (i) is capable of being remedied and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (c) **Cross payment-default/Cross-acceleration:**
 - (i) Any Financial Indebtedness of any Group Company is not paid when due nor within any originally applicable grace period or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default howsoever described under any document relating to Financial Indebtedness of any Group Company; or
 - (ii) any security interest securing Financial Indebtedness over any asset of any Group Company is enforced;

provided however that the amount of Financial Indebtedness referred to under paragraph (i) and/or (ii) above, individually or in aggregate exceeds an amount corresponding to SEK 40,000,000 to be increased to SEK 80,000,000 should EBITDA at the relevant time in accordance with the latest Financial Report amount to SEK 750,000,000 or more and, in each case, provided that it does not apply to any Financial Indebtedness owed to a Group Company;

- (d) **Insolvency:**
- (i) The Issuer or any other Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors (other than under these Terms and Conditions) with a view to rescheduling its Financial Indebtedness; or
 - (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;
- (e) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, solvent liquidations) in relation to:
- (i) the suspension of payments, winding-up, dissolution, administration or company reorganisation (Sw. *företagsrekonstruktion*) (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 analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company;
- (f) **Mergers and demergers:**
- (i) A decision is made that any Material Group Company (other than the Issuer) shall be demerged or merged into a company which is not a Group Company, unless such constitutes a permitted disposal in accordance with Clause 12.5 (*Disposal of assets*) or the Agent has given its consent (not to be unreasonably withheld or delayed) in writing prior to the merger and/or demerger (where

consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors); or

(ii) the Issuer merges with any other Person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity;

(g) **Creditors' process:** Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value of an amount equal to or exceeding SEK 40,000,000 to be increased to SEK 80,000,000 should EBITDA at the relevant time in accordance with the latest Financial Report amount to SEK 750,000,000 or more and, in each case, provided that it is not discharged within sixty (60) calendar days;

(h) **Impossibility or illegality:** It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of these Terms and Conditions or if the obligations under these Terms and Conditions are not, or cease to be, legal, valid, binding and enforceable; or

(i) **Continuation of the business:** The Issuer or any other Material Group Company ceases to carry on its business, except if due to (i) a permitted merger or demerger as stipulated in 14.1 (f) above or (ii) a permitted disposal as stipulated in Clause 12.5 (*Disposals of assets*), both (i) and (ii) provided such has a Material Adverse Effect.

14.2 The Agent may not terminate the Bonds in accordance with Clause 14.1 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 14.1(d) (*Insolvency*).

14.3 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.

- 14.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 14.1 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 14.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 14.1 and provide the Agent with all documents that may be of significance for the application of this Clause 14.
- 14.5 The Issuer is only obliged to inform the Agent according to Clause 14.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq Stockholm (or any other Regulated Market, as applicable). 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 14.4.
- 14.6 If the Agent has been notified by the Issuer or has otherwise determined that there is an Event of Default under these Terms and Conditions according to Clause 14.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or determination, the Bondholders of the Event of Default and (ii) decide, within twenty (20) Business Days of the day of notification or determination, 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 16 (*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 (or an event that may lead to an Event of Default).

- 14.7 If the Bondholders have made a decision regarding termination in accordance with Clause 16 (*Decisions by Bondholders*) or instructed the Agent in accordance with Clause 14.1, 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.
- 14.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 14, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 14.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 14 without relevant decision by the Agent or following instructions from the Bondholders' pursuant to Clause 14.1 or Clause 16 (*Decisions by Bondholders*).
- 14.10 If the Bonds are declared due and payable in accordance with this Clause 14 the Issuer shall redeem all Bonds with an amount per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount (plus accrued but unpaid interest).

15 DISTRIBUTION OF PROCEEDS

- 15.1 If the Bonds have been declared due and payable in accordance with Clause 14 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *firstly*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent, (ii) other costs, expenses and indemnities to the Agent relating to the termination of the Bonds or the protection of the Bondholders' rights under the Finance Documents, (iii) any non-reimbursed costs incurred by the Agent for external experts, and (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure;
 - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);

- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer. The application of proceeds in accordance with paragraphs (a) to (d) above shall, however, not restrict a Bondholders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

- 15.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14.1, such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1.
- 15.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds 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 Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- 15.4 If the Issuer or the Agent shall make any payment under this Clause 15, 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 8.1 shall apply.

16 DECISIONS BY BONDHOLDERS

- 16.1 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.
- 16.2 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.

- 16.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 16.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 7 (*Right to act on behalf of a Bondholder*) from a Person who is, registered as a Bondholder:
- (a) on the Business Day specified in the notice pursuant to Clause 17.3, in respect of a Bondholders' Meeting; or
 - (b) on the Business Day specified in the notice pursuant to Clause 18.3, 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.
- 16.5 The following matters shall require consent of Bondholders representing at least two thirds (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 18.3:
- (a) waive a breach of or amend an undertaking set out in Clause 12 (*Special undertakings*);
 - (b) a mandatory exchange of Bonds for other securities;
 - (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
 - (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
 - (e) amend the provisions in Clauses 16.5 or 16.6.

- 16.6 Any matter not covered by Clause 16.5 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 18 (*Written Procedure*). This includes, but is not limited to, any amendment to or waiver of the terms of the Finance Documents that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 19.1 (a), (b) or (c)) or a termination of the Bonds.
- 16.7 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.
- 16.8 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 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), 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 16.7 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 16.9 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.
- 16.10 A Bondholder holding more than one (1) 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.
- 16.11 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time

period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

- 16.12 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.
- 16.13 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.
- 16.14 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.
- 16.15 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.

17 BONDHOLDERS' MEETING

- 17.1 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 Bondholders' Meeting has been requested by the Bondholder(s), the Agent shall send a copy of the notice to the Issuer.
- 17.2 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17.1 with a copy to the

Agent. After a request from the Bondholders pursuant to Clause 20.4.3, 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 17.1.

- 17.3 The notice pursuant to Clause 17.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the notice pursuant to Clause 17.1), (iv) an agenda for the meeting (including each request for a decision by the Bondholders) and (v) 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.
- 17.4 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 17.5 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.
- 17.6 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.
- 17.7 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.

18 WRITTEN PROCEDURE

- 18.1 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 notice is sent. If the Written Procedure has been requested by the Bondholder(s), the Agent shall send a copy of the notice to the Issuer.
- 18.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1 to each Bondholder with a copy to the Agent.
- 18.3 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights (such Business Day not to fall earlier than the effective date of the communication pursuant to Clause 18.1), (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days but not more than twenty (20) Business Days from the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 18.4 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.
- 18.5 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clause 16.5 and 16.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant

to Clauses 16.5 or 16.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

19 AMENDMENTS AND WAIVERS

- 19.1 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:
- (a) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
 - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
 - (c) such amendment or waiver is necessary for the purpose of listing the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), provided such amendment or waiver does not materially adversely affect the rights of the Bondholders; or
 - (d) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- 19.2 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.
- 19.3 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 19.4 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.

20 APPOINTMENT AND REPLACEMENT OF THE AGENT

20.1 Appointment of Agent

- 20.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 20.1.2 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.
- 20.1.3 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.
- 20.1.4 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 under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

20.2 Duties of the Agent

- 20.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution, validity, perfection 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. The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours. The Agent may charge the requesting Bondholder a reasonable administrative fee for making Finance Documents available.

- 20.2.2 Upon request by a Bondholder, the Agent may distribute to the Bondholders any information from such Bondholder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent may upon request by a Bondholder disclose the identity of any other Bondholder who has consented to the Agent in doing so.
- 20.2.3 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.
- 20.2.4 The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person and no opinion or advice by the Agent will be binding on the Bondholders.
- 20.2.5 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.
- 20.2.6 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.
- 20.2.7 The Agent shall, subject to Clause 25.2.2, 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.

- 20.2.8 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 (i) after the occurrence of an Event of Default, (ii) 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, (iii) when the Agent is to make a determination under the Finance Documents or (iv) as otherwise agreed between the Issuer and the Agent. 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 15 (*Distribution of proceeds*).
- 20.2.9 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.
- 20.2.10 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.
- 20.2.11 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.
- 20.2.12 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents, or (ii) if it refrains from acting for any reason described in Clause 20.2.11.
- 20.2.13 Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects. The Agent is not

liable for information provided to the Bondholders by or on behalf of the Issuer or by any other person.

20.3 Limited liability for the Agent

- 20.3.1 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 the Finance Documents, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 20.3.2 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 addressed to 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.
- 20.3.3 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.
- 20.3.4 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 16 (*Decisions by Bondholders*).
- 20.3.5 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.
- 20.3.6 The Agent may assume that the documentation and evidence delivered to it under Clause 13 (*Conditions Precedent to the First Issue Date*) are 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. The Agent does not review the documents and evidence referred to above from a legal or commercial perspective of the Bondholders.

20.4 Replacement of the Agent

- 20.4.1 Subject to Clause 20.4.6, 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.
- 20.4.2 Subject to Clause 20.4.6, 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.
- 20.4.3 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.
- 20.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 20.4.5 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.
- 20.4.6 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.
- 20.4.7 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.

- 20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, 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.

21 APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

- 21.1 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.
- 21.2 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.

22 APPOINTMENT AND REPLACEMENT OF THE CSD

- 22.1 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.
- 22.2 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 the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (Sw. *lag (2007:528) om värdepappersmarknaden*).

23 NO DIRECT ACTIONS BY BONDHOLDERS

- 23.1 A Bondholder may not take any action or any legal steps whatsoever against the Issuer or any of its Subsidiaries 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 any of its Subsidiaries in relation to any of the liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- 23.2 Clause 23.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 20.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 20.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2.12 before a Bondholder may take any action referred to in Clause 23.1.
- 23.3 The provisions of Clause 23.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 10.4 (*Mandatory repurchase due to a Change of Control Event, Listing Failure Event or a De-listing Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

24 TIME-BAR

- 24.1 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.
- 24.2 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.

25 NOTICES AND PRESS RELEASES

25.1 Notices

- 25.1.1 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 to such address notified by the Agent to the Issuer from time to time 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 such other address as notified by the Issuer to the Agent from time to time or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time; and
 - (c) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if practicable possible) or letter for all Bondholders, provided that the same means of communication shall be used for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- 25.1.2 Any notice or other communication made by a 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 25.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 25.1.1.

- 25.1.3 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.

25.2 Press releases

- 25.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 10.3, 10.4, 12.9.1 (e), 14.6, 15.4, 16.15, 17.1, 18.1, 19.3, 20.2.12 and 20.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 25.2.2 In addition to Clause 25.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

26 FORCE MAJEURE AND LIMITATION OF LIABILITY

- 26.1 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.
- 26.2 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.
- 26.3 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.
- 26.4 The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

27 GOVERNING LAW AND JURISDICTION

- 27.1 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.
- 27.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 27.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 27.3 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.

* * *

Addresses

Company and issuer

Volati AB (publ)
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