

This prospectus was approved by the Swedish Financial Supervision Authority on 17 September 2019.

FNG

FNG NORDIC AB (publ)

Prospectus for the admission to trading of

**SEK 1,500,000,000
SENIOR SECURED CALLABLE FLOATING RATE BONDS**

ISIN: SE0012827996

Sole Bookrunner and Issuing Agent

ABG
SUNDAL COLLIER

Important information

In this prospectus, the “**Issuer**” means FNG Nordic AB (publ). The “**Group**” means the Issuer with all its subsidiaries from time to time (each a “**Group Company**”). The “**Sole Bookrunner**” means ABG Sundal Collier ASA.

Words and expressions defined in the Terms and Conditions beginning on page 55 have the same meanings when used in this prospectus (the “**Prospectus**”), unless expressly stated otherwise follow from the context.

Notice to investors

The Issuer issued a total of 1,500 secured bonds in the Total Nominal Amount of SEK 1,500,000,000 on 25 July 2019 (the “**Settlement Date**”) (the “**Bonds**”) pursuant to the Terms and Conditions. This Prospectus has been prepared for the admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm (or another Regulated Market). This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Bonds. This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection herewith.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**SFSA**”) as competent authority under the Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. The SFSA’s approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

This Prospectus may not be distributed in any jurisdiction where such distribution would require any additional Prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdiction. Persons into whose possession this Prospectus may come are required to inform themselves about, and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. Subject to certain exemptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. The Bonds have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any state or other jurisdiction outside Sweden.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Bond implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer’s or the Group’s business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to Prospectuses in the Prospectus Regulation.

Forward-looking statements and market data

The Prospectus contains certain forward-looking statements that reflect the Issuer’s current views or expectations with respect to future events and financial and operational performance. The words “intend”, “estimate”, “expect”, “may”, “plan”, “anticipate” or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statements will materialise. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statement.

Factors that could cause the Issuer’s and the Group’s actual operations, result or performance to differ from the forward-looking statements include, but are not limited to, those described in “*Risk factors*”. The forward-looking statements included in this Prospectus apply only to the date of the Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Any subsequent forward-looking information that can be ascribed to the Issuer and the Group or persons acting on the Issuer behalf is subject to the reservations in or referred to in this section.

The Prospectus contains market data and industry forecasts, including information related to the sizes of the markets in which the Group participates. The information has been extracted from a number of sources. Although the Issuer regards these sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. However, as far as the Issuer is aware and can assure by comparison with other information made public by these sources, no information has been omitted in such a way as to render the information reproduced incorrect or misleading. In addition to the above, certain data in the Prospectus is also derived from estimates made by the Issuer.

Presentation of financial information

This Prospectus incorporates the Guarantor’s consolidated historical financial statements for the financial years 2017 and 2018, which have been prepared in accordance the International Financial Reporting Standards (IFRS), as prescribed by the European Union. Certain financial and other information presented in this Prospectus has been rounded off for the purpose of making this Prospectus more easily accessible for the reader. As a result, the figures in tables may not tally with the stated totals.

With the exception of the Issuer’s financial report for the period 12 October 2018 – 31 August 2019 and the Guarantor’s consolidated historical financial statements for the financial years 2017 and 2018, no information in this Prospectus has been audited or reviewed by the Guarantor’s or the Issuer’s respective auditors. Financial data in this Prospectus that have not been audited by the Issuer’s or the Guarantor’s respective auditor stem from internal accounting and reporting systems.

TABLE OF CONTENTS

SUMMARY	4
RISK FACTORS	12
OVERVIEW OF THE BONDS AND USE OF PROCEEDS.....	29
DESCRIPTION OF THE ISSUER AND THE ACQUISITION OF ELLOS.....	37
DESCRIPTION OF THE GUARANTOR.....	40
THE BOARD, MANAGEMENT AND AUDITORS	47
LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION.....	51
FINANCIAL REPORT OF THE ISSUER	54
TERMS AND CONDITIONS OF THE BONDS	55
DEFINITIONS.....	111
ADDRESSES.....	112

SUMMARY

Introduction and warnings

This Prospectus has been drawn up in relation to the admission to trading of senior secured callable floating rate bonds of the Issuer. The legal and commercial name of the Issuer is FNG Nordic AB (publ), Swedish corporate ID No. 559175-1325. For the duration of their term of office, the board members shall be deemed to have elected domicile at is Boutersemstraat 68 A, 2800 Mechelen, Belgium. The registered office of the board of directors is situated in Stockholm, Sweden. The Issuer's legal entity identifier code ("LEI Code") is 984500AFAA591N80BA13. The Bonds will be uniquely identified by the ISIN SE0012827996.

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability may only attach to those persons who have tabled the summary, including any translation thereof, only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The SFSA (*Brunnsgatan 3, P.O Box 7821, SE-103 97 Stockholm*) has, in its capacity as competent authority under the Prospectus Regulation, on 17 September 2019, approved this Prospectus. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. The SFSA's approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

Key information on the Issuer

Who is the issuer of the securities?

The legal and commercial name of the Issuer is FNG Nordic AB (publ), Swedish corporate ID No. 559175-1325. The Issuer is registered and incorporated in Sweden as a public limited liability company (Sw. *publikt aktiebolag*) and has its statutory seat (Sw. *säte*) in the municipality of Stockholm, Sweden. The Issuer's LEI Code is 984500AFAA591N80BA13. The Issuer conducts its operations in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).

Principal activities

The Issuer is a holding company and does not perform any operating activities. The only activity conducted by the Issuer prior the date of this Prospectus is the entering into a share purchase agreement regarding the shares in Ellos and the issue of Bonds pursuant to the Terms and Conditions.

Major shareholders

The Issuer is a wholly-owned subsidiary of FNG Finance Belgium BVBA, which in turn is a wholly-owned subsidiary of the Guarantor.

Management

Dieter Penninckx, born 1974, is the CEO of the Issuer. Other than the CEO, the Issuer does not have a management function, as the Issuer is a holding company without operating activities.

Board of directors

The board of directors of the Issuer consists of a of three persons, Emmanuel Bracke (*board member, chairman*), Dieter Penninckx (*board member, CEO*) and Anja Maes (*board member*). Each of them have been members of the board since 2019.

Auditor

Revideco AB (Kungstensgatan 38, 13 59 Stockholm) is the Issuer's auditor since 2019. Caisa Maria Westin the auditor in charge and is an authorised public accountant and member of FAR, the professional institute for accountants in Sweden.

What is the key financial information regarding the Issuer?

The tables below each set out a summary of key financial information extracted from the Issuer's financial report for the period 12 October 2018 – 31 August 2019 (i.e. being the period from incorporation of the Issuer until 31 August 2019). The Issuer's financial report have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 and has been audited by the Issuer's auditor pursuant to RevR 5.

Condensed income statement	
(in thousands of SEK)	12 October 2018 – 31 August 2019
Operating profit/loss	-11,318

Condensed balance sheet	
(in thousands of SEK)	12 October 2018 – 31 August 2019
Net financial debt	Not reported in the relevant financial report

Condensed cash flow statement	
(in thousands of SEK)	12 October 2018 – 31 August 2019
Cash flow from operating activities	50
Cash flow from financing activities	1,446,979
Cash flow from investment activities	0

Audit qualifications

There are no qualifications in the audit report pertaining to the Issuer's financial report for the period 12 October 2018 – 31 August 2019.

What are the key risks that are specific to the Issuer?

Financial risks relating to the Issuer

Dependence on subsidiaries. The Group's assets and revenues are generated by the Issuer's subsidiaries. Accordingly, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operation of and the ownership in the subsidiaries to enable the Issuer to make payments under the Bonds.

Credit risks. The remuneration which the Group receives under the factoring programme with Resurs Bank is a variable of the default rate in the portfolio of transferred receivables. Hence, the Group is indirectly exposed to a credit risk in relation to defaulting customers and higher than average default rates may adversely affect the Group's financial position. The Group is furthermore exposed to financial credit risks in the event that counterparties with whom the Group has deposited e.g. cash cannot fulfil their obligations.

Terms for financing. Since the Group's ability to finance its operations or refinance its existing indebtedness depends on a number of factors, *inter alia* market conditions and access to additional debt and equity financing, there can be no assurance that such funds will be available at a commercially reasonable cost, or at all. In addition, adverse developments in the credit markets, further deterioration of the overall financial markets or a worsening of general economic conditions, could have a material adverse effect on the Group's funding abilities, which, in turn, could have a material adverse effect on the Group's business, financial condition and results of operation.

Fluctuations in foreign exchange rates. The Group is exposed to currency risk, i.e., the risk that currency exchange rate fluctuations will have an adverse effect on its cash flow and financial position or its consolidated income statement or balance sheet. Exchange rate fluctuations affect the Group's results partly when sales and purchases in foreign subsidiaries are conducted in different currencies (transaction exposure), and partly when the Issuer's consolidated profit and loss accounts and balance sheet items are translated from foreign currencies in the Issuer's reporting currency, being Swedish krona (SEK) (translation exposure). Currency exchange fluctuations may also adversely affect the Group's competitiveness and customer demand and therefore have an adverse effect on the Group's business.

Risks related to the Issuer's business activities and industry

Offering of payment solutions and financial services. The Group offers payments solutions in the form of invoicing and payments in instalments which means that the customers are granted a credit when purchasing the Group's products. Since 2013, the customer credits are administrated in cooperation with Resurs Bank through receivables factoring arrangements. These receivables factoring arrangements generate significant revenues for the Group. In addition to the Group's e-commerce business, the Group markets personal loans and related insurance products in collaboration with Resurs Bank under a Cooperation Agreement.

The factoring agreements and the Cooperation Agreement regarding financial services are material for the Group's business. However, since the revenues from the factoring arrangement are variable, the Group is indirectly exposed to lending risks, e.g. the customers' payment capacity, and dependent on Resurs Bank's costs for administration of the payment solutions. The Group's mediation of certain insurances poses both reputational and conduct risks, should the mediation not be conducted in compliance with the applicable legislation and regulations, which if materialized could have an adverse effect on the Group's earnings and results of operations.

Disruptions to IT systems. The Group manages and transfers large amounts of data regarding e.g. customers and suppliers. Hence, the Group's business operations are highly dependent on the functionality, capacity, accessibility and reliability of IT systems, being crucial for inter alia administration and financial reporting. The IT systems may be subject to disruptions due to, e.g., data breaches, lack of functionality or inadequate back-up systems. Such disruptions may imply the loss of important information or the delay of some actions, which could, in turn, have a materially adverse effect on the Group's business, financial position and results. Disruptions to IT systems could also result in leakage of sensitive information, theft of intellectual property, etc., which could have a material adverse effect on the Group. Also, any compromise of the Group's technology security could expose the Group to litigation, civil or criminal penalties and adverse publicity with negative consequences.

General economic climate and other macroeconomic effects. The retail industry in which the Group operates is particular cyclical and consumer purchases of discretionary retail items generally decline during recessionary periods and other times when disposable income is lower. The Group would especially be affected by a general downturn in the Nordic market and changes in the purchasing power of Nordic consumers. A decline in demand for the Group's products due to weakening macroeconomic factors may have a material adverse effect on the Group's business, etc.

A decline in e-commerce. A decline in e-commerce, especially within the main target demographic (females between 30 to 60 years) and in particular in relation to fashion and home furnishing, may have a material adverse effect on the demand for the Group's products which could, in turn, have a material adverse effect on the Group's business, prospects, financial position and results. The same applies for underlying factors which could induce a decline in e-commerce, such as, e.g., scepticism against online payments and inadequate IT systems.

Legal and regulatory risks

Financial regulations and authorisations. Each of the Issuer's subsidiaries Ellos AB, Jotex AB and Stayhard AB are licensed by the SFSA to conduct consumer loan intermediation in accordance with the Swedish Certain Consumer Credit-related Operations Act (Sw. lag (2014:275) om viss verksamhet med konsumentkrediter). As a result, these subsidiaries are subject to the supervision of the SFSA. Failure by the subsidiaries to comply with or properly implement legal requirements may lead to sanctions or ultimately that the license is withdrawn, which could have an adverse effect on the Group's business. The Danish Parliament recently adopted a new law which entered into force on 1 July 2019, with the consequence that Ellos Denmark A/S may need to become licensed by and publicly registered with the DFSA. If the DFSA were to impose sanctions due to, e.g., regulatory violations, it could have an adverse effect on the Group's operations, financial position and results of operations.

Environmental, social and governance risks

Regulatory penalties, reputational harm and fraud. The Group has currently not implemented policies and procedures regarding e.g. sanctions and anti-corruption and the Group's governance and compliance processes may not prevent breaches of law or governance standards by the Group or by its subsidiaries. Failure to comply with applicable laws and other standards could subject the Group to, e.g., fines and reputational harm. Additionally, at the operational level, individual employees may not comply with the Group's policies and guidelines, which could cause the Group to incur compliance costs and cause reputational damage, which in turn could cause material adverse effect on the Group's business.

Key information on the securities

What are the main features of the securities?

The Bonds are senior secured callable floating rate bonds. There is no offering to purchase, subscribe for or sell the Bonds. The Bonds are unilateral debt instruments intended for public trading as set out in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (Sw. *ensidig skuldförbindelse avsedd för allmän omsättning enligt 1 kap. 3 § lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). The Bonds will be uniquely identified by the ISIN SE0012827996. The initial nominal amount of each Bond is SEK 1,000,000. The Bonds are denominated in SEK, Interest will be payable in SEK and any amount payable on redemption will be in SEK. The Issuer issued a total of 1,500 secured bonds in the Total Nominal Amount of SEK 1,500,000,000 on 25 July 2019 pursuant to the Terms and Conditions.

The Bondholders are entitled to receive Interest on the outstanding Bonds. Each Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date. The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

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. The Bonds entitle a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount to request for a decision by the Bondholders on a matter relating to the Finance Documents. Such request 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 Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.

The Bonds are freely transferable. However, the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local regulation to which a Bondholder may be subject.

Interest and Interest Payment Date. The Bonds carries Interest from (but excluding) 25 July 2019 to the Relevant Redemption Date. The Interest is a floating rate of STIBOR (3 months) plus the Floating Rate Margin (6.75 per cent. *per annum*), with quarterly interest payments on 25 January, 25 April, 25 July and 25 October each year.

Final redemption. The Final Maturity Date of the Bonds is 25 July 2024. The Issuer shall redeem all, but not some only, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

Voluntary Redemption (call option). Issuer may redeem all or part of the Bonds on any Business Day falling on or after the Issuer Date but before the Final Redemption Date, at the Call Option Amount together with accrued but unpaid Interest. The Issuer shall give at least fifteen (15) Business Days' notice of such redemption.

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

Mandatory repurchase due to a Change of Control, Delisting or a Listing Failure. Upon a Change of Control, Delisting or a Listing Failure occurring, each Bondholder shall have the right to request that all, or only some, of

its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) calendar days following a notice from the Issuer.

Mandatory redemption due to failure to fulfil the Conditions Precedent. If (a) the Conditions Precedent have not been fulfilled within nine (9) months from 4 July 2019; or (b) the Acquisition is terminated, the Issuer shall redeem all Bonds at a price equal to one hundred and one (101.00) per cent., of the Nominal Amount together with any accrued but unpaid Interest.

Where will the securities be traded?

The Bonds will be admitted to trading at Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

Is there a guarantee attached to the securities?

At the date of this Prospectus there is no guarantee attached to the Bonds. Upon completion of the Acquisition of Ellos, the proceeds from the issue of Bonds will be released from the escrow account following satisfaction of certain conditions precedent and one of these conditions is Guarantor granting the guarantee as described below.

Description of the nature and scope of the guarantee

The Guarantor shall, pursuant to the Terms and Conditions, provide an irrevocable guarantee (as for its own debt) for the full and punctual payment by the Issuer of all present and future payment obligations and liabilities consisting of principal and interest incurred by the Issuer to the Agent, Security Agent and the Bondholders (or any of them) under the Terms and Conditions and undertakes with the Security Agent that whenever the Issuer does not pay any amount when due under the Terms and Conditions, the Guarantor shall immediately on demand pay that amount as if it was the principal obligor.

Description of the Guarantor

The Guarantor's legal and commercial name is FNG NV registered with the register of legal entities (Antwerp, section Mechelen) under the Belgian Corporate ID No 0697.824.730. The registered office of the Guarantor is Boutersemstraat 68A, B-2800 Mechelen, Belgium. The Guarantor's LEI Code is 894500DNMOR5GNJF6722. The Guarantor is the parent company of the FNG Group, which was founded in 2003. On 22 June 2018 the Guarantor was converted into a public limited liability company (*naamloze vennootschap*) exclusively governed by Belgian law. The Guarantor's shares are listed on Euronext Brussels and Euronext Amsterdam.

The FNG Group is a strong growing Benelux-fashion group with activities in Belgium, the Netherlands, Luxembourg, France, Spain and Germany. The FNG Group designs and distributes clothing and shoes for women, children and men through its own concept-stores at top locations in Belgium and the Netherlands and through a network of multi-trademark stores on the domestic markets as well as in foreign countries. The FNG Group has more than 3,000 employees, realising a turnover of approximately EUR 500,000,000.

Key financial information of the Guarantor

The tables below each set out a summary of key financial information extracted from the Guarantor's annual reports (audited) for the financial years ended on 31 December 2017 and 2018 (respectively). The financial information for the periods January-June 2019 and January-June 2018 has not been audited or reviewed by the Guarantor's auditor.

Condensed consolidated income statement				
(in thousands of euros)	2018	2017	2019 Jan-June	2018 Jan-June
Operating profit/loss	32,337	19,087	18,775	14,763

Condensed consolidated balance sheet				
(in thousands of euros)	2018	2017	2019 Jan-June	2018 Jan-June
Net financial debt	167,400	144,900	Not reported on half year basis	Not reported on half year basis

Condensed consolidated cash flow statement				
(in thousands of euros)	2018	2017	2019 Jan-June	2018 Jan-June
Cash flow from operating activities	41,735	-8,152	18,598	23,680
Cash flow from financing activities	85,658	73,330	-9,648	16,655
Cash flow from investment activities	-99,720	-41,615	-6,152	-14,999

There are no qualifications in the audit reports pertaining to the Guarantor's annual financial statements for the years ended 2017 and 2018.

Material risk factors pertaining to the Guarantor

The Guarantor is a holding company with no direct cash flows, and depends on operating subsidiaries. The businesses, operating results and financial conditions of the Guarantor therefore depend on the business results of the FNG Group. The Guarantor's ability to service their/its debts depends on the level of distributions, if there are any, received from their operating subsidiaries, sums received from intragroup loans, raising capital, the realization of assets and its cash balance. Any restrictions on their ability to make distributions could have a material adverse effect on the business of the FNG Group, its operational results or financial situation, as the case may be.

The FNG Group is faced with a number of inherent risks as a result of the international nature of its activities, in particular in relation to supply channels. Some of the regions where the FNG Group operates (the majority of the fabrication and purchases are done in foreign countries, such as Bulgaria, Turkey, China, India and Bangladesh), have a recent history of economic, social and political instability, particularly Hungary, Bulgaria, Turkey and Southeast Asia. Moreover, the FNG Group could decide to access a new major market or to make additional investments in an existing risky market, as a result of which the FNG Group could become exposed to additional or heightened social, political or economic instability or other risks. Furthermore, it could be difficult for the FNG Group to achieve its goals or to profit from the growth and acquisition possibilities in certain markets due to incorrect assumptions by the FNG Group regarding regulations, market practices and market or country characteristics. Materialization of any of the aforementioned risks could have a material adverse effect on the activities, operating results and financial condition and outlook of the FNG Group.

The performance of FNG Group is largely dependent on the efforts and abilities of its management. Current managers have significant experience and expertise in the fashion industry and are essential for the success of the Guarantor. If these individuals cannot be retained or if talented new employees cannot be attracted, the Group's business could be adversely affected. In addition, the FNG Group is largely dependent on its key management, Dieter Penninckx, Anja Maes and Manu Bracke. If these individuals cannot be retained this could adversely affect FNG Group's business.

The Guarantor intends to have, on a continuous basis, its place of effective management in Belgium. Therefore, the Guarantor should be a tax resident of Belgium under Belgian national tax law. By reason of the Guarantor's incorporation under Dutch law, the Guarantor could also be deemed tax resident in the Netherlands under Dutch national tax law, which as a consequence could lead to an increase of the FNG Group's overall effective income tax rate and income tax expense.

The Guarantor's operational cash flows are highly variable, due to (i) the sector which the FNG Group is operating in (i.e. the retail sector) and (ii) seasonal influences. There is a risk of insufficient liquidity within the FNG Group to meet the demands for working capital, needed in order to finance FNG Group's growth. In the event of a liquidity shortfall, the Guarantor will have to obtain additional financing for the FNG Group.

What are the key risks that are specific to the securities?

Risks related to the nature of the Bonds

Movements in exchange rates. The Issuer will pay principal and interest on the Bonds in SEK. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit other than SEK. This includes, e.g., the risk that exchange rates may significantly change and the risk that authorities with jurisdiction over the relevant currency impose or modify exchange controls, which in turn could inter alia decrease the investor's currency equivalent yield on the Bonds.

Risks related to early redemption. There is a risk that the market value of the Bonds will be higher than the early redemption amount and that the Issuer will not have sufficient funds at the time of a prepayment of the Bonds required by the bondholders (put option) which could adversely affect the bondholders' recovery under the Bonds.

Risks related to the Transaction Security and Guarantees

Risks related to the Transaction Security and the Guarantees. Although the obligations under the Bonds and certain other obligations of the Group towards the Bondholders, the SSRCF creditors and certain other creditors (jointly the Secured Parties) will following completion of the Acquisition be secured by first priority security including guarantees, there is a risk that the proceeds of any enforcement sale of the security assets or enforcement of guarantees will not be sufficient to satisfy all amounts then owed to the Secured Parties or the amounts then due in respect of the Bonds. Furthermore, if the Issuer increases the SSRCF commitments and/or incurs capex facility commitments or hedging obligations, the security position of the current Bondholders may be impaired. The Issuer shall, not later than 120 days from the closing date of the Acquisition, provide evidence to the Agent that certain Transaction Security Documents have been duly executed, granted and perfected, and that certain members of the Group have acceded as Guarantors to the Guarantee Agreement and as ICA Group Companies to the Intercreditor Agreement. Until such measures have been taken, the Bondholders' security position will be limited.

Risks relating to the enforcement of the Transaction Security and the Guarantees. The Bondholders will receive proceeds from an enforcement of the Transaction Security and the Guarantees only after obligations of other Secured Parties secured on a super senior basis have been repaid in full. The Transaction Security and Guarantees may be subject to certain limitations on enforcement (in addition to those set out in the Intercreditor Agreement) and may be limited by applicable Swedish or other relevant law or subject to certain defences that may limit its validity and enforceability. If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the Bondholders will only have an unsecured claim against the remaining assets (if any) of the Issuer for the amounts which remain outstanding under or in respect of the Bonds.

Security granted to secure the Bonds may be unenforceable or enforcement of the Transaction Security and Guarantees may be delayed. The insolvency laws of Sweden or other applicable jurisdictions may preclude or limit the right of the Bondholders from recovering payments under the Bonds. The enforceability of the Transaction Security and the Guarantees may be subject to uncertainty. The security may be unenforceable if (or to the extent), for example, the granting of the security was considered to be economically unjustified for such security providers (corporate benefit requirement). The security may also be limited in value, *inter alia*, to avoid a breach of the corporate benefit requirement. Furthermore, the Transaction Security and Guarantees will be subject to certain limitations relating to financial assistance in the relevant jurisdictions.

Insolvency of subsidiaries and structural subordination. In the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such company before the Issuer, as a shareholder, would be entitled to any payments. Defaults by, or the insolvency of, subsidiaries of the Issuer may result in the obligation of the Issuer to make payments under financial or performance guarantees in respect of such companies' obligations or the occurrence of cross defaults on certain borrowings of the Group. The Issuer and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

Key information on the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

Not applicable. This Prospectus is issued in conjunction with an admission to trading on Nasdaq Stockholm (or another Regulated Market) and there is no offer to acquire Bonds.

Terms and conditions and expected timetable for the offering

Not applicable. This Prospectus is issued in conjunction with an admission on Nasdaq Stockholm (or another Regulated Market) and there is no offer to acquire Bonds.

Details of the admission to trading on Nasdaq Stockholm

This Prospectus has been prepared for the admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm (or another Regulated Market). This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Bonds.

Why is this Prospectus being produced?

This Prospectus has been prepared to enable the Bonds to be admitted to trading on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) which is a requirement from the Bondholders.

Use and estimated net amount of proceeds

The estimated net amount of proceeds from the issue of the Bonds is SEK 1,500,000,000 less customary transaction costs and fees. The Net Proceeds from the Bonds shall be applied by the Issuer towards (i) funding of the purchase price for the Acquisition and the refinancing (directly or indirectly) of existing indebtedness of the Target and its Subsidiaries (including related fees, costs and expenses of such refinancing), and (ii) thereafter, for general corporate purposes of the Group.

Material conflicts

ABG Sundal Collier ASA is Sole Bookrunner in conjunction with the issuance of the Bonds. The Sole Bookrunner (and closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Group for which they have received, or will receive, remuneration. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

RISK FACTORS

Investing in the Bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect the Issuer, Ellos, the Group and the Guarantor.

The financial performance of the Issuer and the risks associated with the Issuer's business are important when making a decision on whether to invest in the Bonds. A number of factors influence and could influence the Issuer's operations and financial performance and ultimately the Issuer's ability to make payments under, and repay, the Bonds. In this section, a number of risk factors are illustrated and discussed, both risks pertaining to the Issuer's economic and market risks, business risks, legal and regulatory risks, and structural risks relating to the Notes and risks related to debt instrument such as the Bonds

Potential investors should carefully consider the risk factors below, the Terms and Conditions, all other information in this Prospectus and other available information before deciding on making an investment in the Bonds. Investors must, in addition, alone or together with financial and/or other advisers, consider the general business prospects, and general information about the relevant market and companies active on that market, based on their personal circumstances. An investor should possess sufficient knowledge to assess the risk factors and sufficient financial strength to bear those risks.

The risk factors in this section are presented as if the Issuer has completed the contemplated acquisition of Ellos and Ellos consequently being part of the FNG Group. If any of these risks or uncertainties actually materialise, the business, prospects, financial position, reputation and results of operations of the Group could be materially and adversely affected, which could have a material adverse effect on the Group's ability to meet its obligations (including payment of interest and repayment of principal) under the Terms and Conditions.

The risk factors are presented in categories and where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor. The most material risk factors in a category is presented first under that category, the assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact is disclosed by rating the relevant risk as low, medium or high. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence.

RISK FACTORS SPECIFIC AND MATERIAL TO THE ISSUER AND THE GROUP

Risks related to the Group's financial situation

The Issuer is dependent on its subsidiaries

The Group's assets and revenues are generated by the Issuer's subsidiaries. Accordingly, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operation of and the ownership in the subsidiaries to enable the Issuer to make payments under the Bonds.

The Issuer's subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Issuer's subsidiaries to make such payments to the Issuer is subject to, among other things, the availability of funds, corporate and/or local law restrictions and the terms of each operation's indebtedness. Should the Issuer not receive sufficient income from its subsidiaries, the Issuer's ability to make payments to the investors under the Terms and Conditions may be adversely affected.

Risk rating: Medium

The Group is exposed to credit risks

As further described in Section "Risks related to the Issuer's business activities and industry – The Group's earnings are to a significant degree dependent on its current offering of payment solutions and financial services" below, consumer credits are a fundamental element of the Group's business model. Although receivables are continually sold on a true sale basis under the factoring programme with Resurs Bank, the remuneration which the Group receives under such factoring programme is a variable of the default rate in the portfolio of transferred receivables. Hence, the Group is indirectly exposed to a credit risk in relation to defaulting consumers. Higher than average default rates may adversely affect the Group's earnings and financial position. The Group is furthermore exposed to financial credit risks in the event that counterparties with whom the Group has deposited cash and other financial assets cannot fulfil their obligations. If the measures taken by Group to manage credit risks would prove to be inadequate, this could have a negative effect on the Group's financial position and revenues.

Risk rating: Medium

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

The Group's ability to finance its operations or refinance its existing indebtedness depends on a number of factors, such as market conditions such as the availability of cash flows from operations and access to additional debt and equity financing, and there can be no assurance that such funds will be available at a commercially reasonable cost, or at all. There can be no assurance that the Group will be able to incur additional debt and/or refinance its existing debt when it matures. In addition, adverse developments in the credit markets, as well as other future adverse developments such as the further deterioration of the overall financial markets or a worsening of general economic conditions, could have a material adverse effect on the Group's ability to borrow additional funds as well as the cost and other terms of funding.

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

Risk rating: Medium

Fluctuations in foreign exchange rates could have a material adverse effect on the Group's business, financial condition and results of operations

The Group is exposed to currency risk, i.e., the risk that currency exchange rate fluctuations will have an adverse effect on its cash flow and financial position or its consolidated income statement or balance sheet. Exchange rate fluctuations affect the Group's results partly when sales and purchases in foreign subsidiaries are conducted in different currencies (transaction exposure), and partly when the Issuer's consolidated profit and loss accounts and balance sheet items are translated from foreign currencies in the Issuer's reporting currency, being Swedish krona (SEK) (translation exposure).

The Group generates a significant portion of its sales in Euro (EUR), Norwegian krone (NOK) and Danish krone (DKK) and incurs a significant portion of its expenses in EUR and, in particular, U.S. dollar (USD). To the extent that the Group incurs costs in one currency and generates sales in another, its profit margins may be affected by changes in the exchange rates between the two currencies. Generally, appreciation of the USD or depreciation of EUR, NOK and DKK against SEK would have an adverse effect on the Group's profit margins and revenue. The Group predominantly enter into forward contracts of the estimated currency flows regarding import to and export from Sweden of goods and services to hedge against exposure to transaction and exchange rate risks. However, to the extent the Group is not able to set-off the transaction exposure, fluctuations in foreign exchange rates could result in a material adverse effect on the Group's operations, financial position and earnings.

The Issuer is exposed to translation risk to the extent that its subsidiaries' assets, liabilities, revenues and expenses are recorded in currencies other than the Issuer's reporting currency, SEK. The main currencies, besides SEK, in which the Group's assets, liabilities, revenues and expenses are recorded are DKK, EUR, NOK and USD. In order to prepare its consolidated financial statements, the Issuer must translate those assets, liabilities, revenues and expenses into SEK at then-applicable exchange rates. Consequently, increases and decreases in the value of SEK versus such other currencies will affect the amount of these items in its consolidated financial statements, even if their value has not changed in their original currency. These translations could significantly impact the Group's financial position or earnings and the comparability of the Group results between periods.

Currency exchange fluctuations may also adversely affect the Group's competitiveness and customer demand and therefore have an adverse effect on the Group's business.

Risk rating: Medium

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

A substantial share of the Group's intangible assets consists of goodwill. Goodwill and other intangible assets are tested at least annually to identify any necessary impairment requirements. In the event that future impairment tests in respect of decreases in the value of goodwill or other intangible assets should lead to impairment, this may have a negative impact on the Group's business, financial position and results of operations.

Risk rating: Medium

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

The Group is exposed to interest rate risk, i.e. that financial income decreases, financial expenses increases and that the value of financial instruments decrease due to fluctuations market interest rates.

Interest rate fluctuations may lead to changes in market values and cash flows as well as fluctuations in the Group's profits, in particular through its effect on the variable income under the factoring programme with Resurs Bank, where increased borrowings costs generally reduce the remuneration payable by Resurs Bank.

The Group may from time to time finance its operations by borrowing funds and a portion of the Group's cash flow may therefore be used to service interest liabilities.

Changes in interest rates affect the Group's interest costs and may lead to changes in actual value, changes in cash flows and fluctuations in the Group's result, which in turn could have a material negative impact on the Group's revenue, operations, profitability and financial position.

Risk rating: Medium

Risks related to the Issuer's business activities and industry

The Group's earnings are to a significant degree dependent on its current offering of payment solutions and financial services

The Group offers payments solutions in the form of invoicing and payments in instalments which means that the customers are granted a credit when purchasing the Group's products. Since 2013, the customer credits are administrated in cooperation with Resurs Bank through receivables factoring arrangements, although the administration of customer credits mainly utilises the Group's own IT systems. This collaboration with Resurs Bank generates significant revenues for the Group. The Group transfers receivables on a daily basis to Resurs Bank at the nominal amount of the transferred receivable. The factoring is by true sale, meaning that Resurs Bank assumes all rights and obligations relating to the transferred receivables, including any default risk relating to the receivable. The Group receives a variable remuneration based on the collections. Furthermore, the Group pays a commission to Resurs Bank for the administration of the receivables. The commission represents a certain percentage of the aggregate outstanding receivables portfolio.

In addition to the Group's e-commerce business, the Group markets personal loans and related insurance products in collaboration with Resurs Bank. The Cooperation Agreement with Resurs Bank conveys an exclusive right for Resurs Bank to market these products to the Group's customers in Sweden, Norway, Finland and Denmark under the Group's brand. Customers who pay in instalments are offered credit protection insurance. Personal loans and credit card services offered are not specifically linked to the purchase of products from the Group. Personal loans are marketed under the product name "Ellos Privatlån", where the Group receives compensation in the form of commission. The remuneration in respect of other credit card services are dependent on the specific product sold.

The above-mentioned factoring agreement and the Cooperation Agreement regarding financial services are material for the Group's business. The factoring arrangements with Resurs Bank is valid until 30 June 2023 and the Cooperation Agreement regarding financial services is valid until 1 April 2024. The agreements contain customary termination rights, e.g. due to any material breach of contract which is not remedied within applicable grace periods. In addition, Resurs Bank is entitled to terminate the agreements if required due to change of law or regulatory requirements beyond Resurs Bank's control.

The receivables purchase agreement with Resurs Bank in relation to the factoring arrangement accounts for a significant amount of the Group's earnings. However, since the revenues from the factoring arrangement are variable, the Group is indirectly exposed to lending risks, such as the customers payment capacity and solvency

and interest rate risks (please see Sections “*Risks related to the Issuer’s financial situation – The Group is exposed to credit risks*” and “*Risks related to the Issuer’s financial situation – The Group is exposed to interest rate risks which may affect market values, financial income and expenses, cash flow and/or profits*”). The variable remuneration is also dependent on Resurs Bank’s costs for administration of the payment solutions.

The Group mediates certain insurances, including *inter alia*, payment protection insurance. Whilst the Group is not under the supervision of the SFSA in relation to its insurance intermediation business, some of the Group companies are tied insurance intermediaries and thus, contractually obliged to indemnify the insurer should any claims be directed to the insurer for misselling by the Group or deficient information given by the Group to the customer. In addition, the mediation of insurances poses both reputational and conduct risks, should the mediation not be conducted in compliance with the applicable legislation and regulations. If any of these risks materializes this may have an adverse effect on the Group’s earnings and results of operations.

The offering of various payment solutions in e-commerce has increased rapidly and is becoming increasingly competitive. A failure to adopt to any material trends in the payment solutions for e-commerce or otherwise meet customer demands for such payment solutions may have an adverse effect on the Group’s earnings and results of operations.

In conjunction with the Group’s transformation from a mail order undertaking to an e-commerce undertaking, the Group’s customer base has changed significantly. The proportion of e-commerce customer who choose to utilise the deferred payment options (credit penetration rate) is lower than the proportion of previous mail order customers who choose such payment options. There can be no assurance that the proportion of customers who chose to pay through direct debit or invoice does not increase and that the credit penetration rate consequently decreases. A reduced credit penetration rate may have a material adverse effect on the Group’s revenues from payment solutions and may consequently have a material adverse effect on the Group’s earnings and consequently on the Group’s business, future prospects, financial position and results of operations.

Since the Group’s payment solutions to a significant degree is administrated by Resurs Bank, Resurs Bank enjoy a certain degree of autonomy, regarding e.g. credit risk assessments and applied interest rates, which may affect the Group’s business operations. Resurs Bank’s interests may not be aligned with the Group’s interests. Although the collaboration with Resurs Bank is on arms’ length terms, there can be no assurance that the Group may prolong the agreements with Resurs Bank or sustain the payment services on equivalent terms following the expiry of the payment solutions contracts.

If the Group cannot offer payment solutions and financial services as currently conducted or if the consumer demand decreases, it may have a material adverse effect on the Group’s business, prospects, financial position and results of operations.

Risk rating: High

Disruptions to IT systems may have an adverse effect on the Group’s business, prospects, financial position and results of operations

The Group manages and transfers large amounts of data regarding customers, suppliers and other parties with the Group’s IT systems. The Group’s business operations are highly dependent on the functionality, capacity, accessibility and, in particular, reliability of IT systems which are well adapted to the Group’s business operations. The IT systems are crucial for the administration, accounting and financial reporting, as well as inventory and working capital management. Maintenance, upgrades and support of these IT systems are continually ongoing. The IT systems may be subject to disruptions due to, e.g., data breaches, lack of functionality or inadequate back-up systems. Such disruptions may also affect external suppliers whose IT systems are integrated with the Group’s IT systems. Any extended outage, data breach, inadequate functionality or delay may imply the loss of important information or the delay of some actions, which in turn may have a materially adverse effect on the Group’s business, financial position and results of operations.

In addition, any problems with technology systems could result in leakage of sensitive information, theft of intellectual property and unavailability of production systems, which in turn could have a material adverse effect on the Group’s business, financial condition and results of operations. Any compromise of the Group’s technology security could further result in a loss of confidence in the Group’s security measures and expose the Group to litigation, civil or criminal penalties and adverse publicity that could have a material adverse effect on the Group’s business, reputation, financial condition and results of operations.

Risk rating: Medium

The Group's business and operations are affected by the general economic climate and other macroeconomic effects which could adversely impact consumer spending in the online fashion and home furnishing segments

The retail industry in which the Group operates is particular cyclical and consumer purchases of discretionary retail items generally decline during recessionary periods and other times when disposable income is lower. The Group's sales are therefore dependent upon a number of factors which in general affect consumer spending, including interest rates, tax rates, commodity prices, fuel prices, employment levels, the health and stability of the general economy of the Nordic regions where the Group almost exclusively operates and other macro-economic factors. A general downturn in the Nordic market and changes in the purchasing power of Nordic consumers could adversely affect demand for products that the Group provides (primarily being products in the in the online fashion and home furnishing segments).

A decline in demand for the Group's products due to weakening macroeconomic factors may have a material adverse effect on the Group's business, prospects, financial position and results of operations.

Risk rating: Medium

A decline in e-commerce, in particular in relation to fashion and home furnishing, may adversely affect the Group

The Group's main target demographic is females between 30 to 60 years. A decline in e-commerce, in particular in relation to fashion and home furnishing in the aforementioned target demographic, may have a material adverse effect on the demand for the Group's products.

Factors which may induce a decline in e-commerce is scepticism against online payments solutions and inadequate IT security systems, the inability to see, touch and try a product before a purchase decision is made and perceived difficulties with returning goods.

A decline in e-commerce may have a material adverse effect on the Group's business, prospects, financial position and results of operations.

Risk rating: Medium

The Group's industry is characterised by high levels of competition

The e-commerce markets for fashion and home furnishing in which the Group operates are highly competitive. The Group competes with a diverse group of retailers, including e-commerce fashion retailers with business models similar to the Group's, general e-commerce retailers trying to increase their presence across a range of categories including fashion and home furnishing, offline-focused vertically integrated retailers and brands from Europe, as well as non-European companies seeking to enter the Nordic markets and establish an online presence, and offline and mail order retailers focused on or including fashion that use their brand. Such competitors may be more experience, have larger financial resources or larger geographical reach than the Group.

Main competitors in the Group's key target group for the Nordic online fashion markets are, amongst others, Zalando, Boozt, Nelly.com and H&M and the main competitors in Group's key target group for the Nordic online home furnishing markets are, amongst others, Hemtex, Mio, Jysk, FurnitureBox and H&M Home.

The Group's competitors may benefit from economies of scale and other competitive advantages and gain market share at the Group's expenses. There is also a risk that other competitors, which currently are in the Group's key target group but currently not focused on online sales, develop their online offering, and therewith further increase or intensify competition on the Group's targeted markets. In addition, competitors currently focused on other customer segments or other geographical markets may choose to offer products and services to customers in the Group's targeted segment or the Group's geographical market and therewith further increase competition in the Group's targeted segment. For example, retailers such as Amazon, eBay and Alibaba, both through their market places that allow external suppliers to sell through their own retail offering, may decide to focus more on fashion and home furnishing or companies within the same sector as the Group that currently does not target the Nordic online fashion and home furnishing markets, may decide to do so in the future, which could result in the Group losing business opportunities or may be forced to change its business model.

In comparison with the traditional retail fashion market, the e-commerce market allows the consumers to take advantage of a global product range and, in particular, easily compare prices and goods prior to making a purchase decision, which may have a downward pressure on prices. The level of competition varies between the

different geographical markets and product ranges and places a high demand on the product range, delivery times, design, quality, price and technical development.

Increased competition may reduce the Group's market share in the markets in which it operates and may consequently have a material adverse effect on the Group's turnover and profit margin.

Risk rating: Medium

Consumer demand for fashion and home furnishing is seasonal and depends on trends and any failure to anticipate and respond in a timely manner to fashion and home furnishing trends and consumer preferences could harm the Group's business, financial condition and results of operations

The Group's success is highly dependent on predicting and adapting to rapidly changing trends and consumer demands in a timely manner, in particular in the fashion market. Consumer preferences regarding fashion design, quality and price tend to change rapidly and accurately forecasting the selection and demand for such products in future periods is difficult.

If the Group fails to predict or adapt to trends in a timely manner, it may result in overstocking or understocking of products. The demand for products can change significantly between the time products are ordered or manufactured and the date of sale. As a result, the Group faces the risk of not having the appropriate selection or the required quantities of products in order to satisfy customer demand. The Group also faces the risk of carrying excess inventory which the Group might be unable to sell during the relevant selling seasons, or only by offering significant discounts. Failure to adapt to current trends may furthermore have a depreciative effect on the Group's brands. In addition, significant discounting may damage both the relationship with suppliers whose products the Group sells at discounts as well as the Group's own brands.

Meeting consumer demand may also entail adopting to changing buying behaviours such as a transition from purchases via desktop computers to mobile phones, which requires the Group to adopt to technical advances.

If the Group fails to anticipate and respond in a timely manner to fashion trends and consumer preferences and adjust purchases and inventory accordingly, this may result in lost sale opportunities, sales at lower than anticipated margins and/or write-offs on inventories, any of which would have a material adverse effect on the Group's business, goodwill, reputation, financial condition and results of operations.

Risk rating: Medium

Increased costs for production may have an adverse effect on the Group's business, prospects, financial position and results of operations

The Group's products are to a significant extent manufactured in Southeast Asia. Such region has historically enjoyed a strong economic growth and may continue to enjoy strong economic growth, which may incur increased costs for production.

Manufacturing costs are also highly dependent on the price of commodities, in particular cotton and oil, which may be subject to significant fluctuations. Such commodities are prices in the world market and the prices, which are primarily quoted in USD, generally vary in accordance with demand for end products. The price volatility is primarily due to fluctuating customer demand, supply and speculation, which may, from time to time, be compounded by decreases in production due to natural disasters, political or financial instability or unrest.

There can be no assurance that any increased costs for production may be set off against increased prices. Hence, increased costs for production may have an adverse effect on the Group's business, prospects, financial position and results of operations.

Risk rating: Medium

The Group is dependent on the reputation and popularity of its brands and its sector, which could be impacted through publicity or a break therefrom, prompted by the Group itself or external sources

There can be no assurance that the Group's marketing and communication campaigns will be successful in terms of promoting and maintaining brand awareness, resonating with consumers, generating traffic to its stores, or stimulating purchases and maintaining customer loyalty. Moreover, the competitors of the Group could be more successful than the Group in their marketing and communication efforts. Consumer awareness could also be adversely affected by media restrictions (for example, changes in the use of media by consumers) that hinder the ability of the Group to conduct effective marketing and communication campaigns.

There is also a risk of the products the Group purchases causing damage to the Group or injuries to its customers. Although the Group believes that its activities comply in all material respects with all applicable laws and regulations, the sale of defective products could result in a recall, product liability claims and/or administrative fines or criminal proceedings against the Group or its management. Even if a recall of a certain product appears unfounded or if a claim against the Group is not successful, the negative publicity that goes along with it could have an adverse effect on the Group's business and brand reputation with existing and potential customers as a result of assertions that the Group's products are harmful or have hidden defects. Above all, the negative publicity caused by claims of poor working conditions in one or more of the factories where Group products are manufactured or allegations thereof could harm the Group's reputation and result in the Group having to pay a fine or facing other adverse legal consequences. The realization of any of these risks, separately or combined, could have a negative effect on the activities, operating results or financial condition of the Group. The Group has taken out product liability insurance against these risks.

Moreover, an incident in the clothing and shoe industry as a whole could affect the business and financial position of the Group. One such incident, which received widespread press coverage, was the collapse of a clothing factory in Bangladesh in 2013, which resulted in many fatalities. While the clothing manufacturer was not directly or indirectly involved, the incident had a significant impact on the fashion industry as a whole. The Group does its utmost to adhere to socially responsible procurement procedures. The Group asks its suppliers to abide by codes of conduct established by industry associations in order to ensure a responsible supply chain. Although the Group pays ample attention to this subject, situations could arise in the future that harm the reputation of the Group and lead to negative financial consequences.

Risk rating: Medium

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

A satisfied and loyal customer base is crucial to the growth of the Group. It is important to have good customer service, so that complaints are settled in a timely and satisfactory manner. The way in which the Group deals with customers during such contact is crucial to maintaining the customer relationship. The Group responds to customer complaints and questions by email and through a toll-free telephone number. A poorly handled complaint, or one that is experienced as such by the customer, may have a negative effect on the customer's satisfaction or loyalty. If due to poor customer service or dissatisfaction on the part of the customer, the Group is unable to retain its customers, this will have a material adverse effect on the operations, financial situation and results of the Group.

Risk rating: Medium

Weather and seasonal variations may have a material adverse effect on the Group's business, prospects, financial position and results of operations

The Group's sales, in particular in respect of fashion, is affected by the weather. Deviations from normal weather, in particular in the shift between two seasons, may reduce the Group's profitability and demand for the Group's products. Deviations in normal weather patterns exposes the Group to the risk of not having the appropriate selection or the required quantities of products in order to satisfy customer demand. The Group also faces the risk of carrying excess inventory which the Group might be unable to sell during the relevant season, or only by offering significant discounts, which in turn may have an adverse effect on the Group's business and results of operations.

The Group is also exposed to seasonal variations and a decline in demand during a financial quarter may have a significant impact on the Group's sales and consequently have a material adverse effect on the Group's business, prospects, financial position and results of operations.

Risk rating: Medium

Effective and optimised logistics and inventory management are crucial to the Group's business

Successful e-commerce business operations are highly dependent on effective and optimised inventory and logistics management. Warehousing, packaging, outbound freight and receipt, screening and handling of returns is carried out at the Group's storage facilities. Certain aspects of the process is performed by machinery. The Group is currently consolidating its warehouse facilities and expects to move its home furnishing business into one logistics centre in Viared, Borås, during late 2019. This relocation of the warehouse facilities may be delayed or otherwise cause disruptions to the Group's business. Damages to or disruptions in the storage facility, including damages or disruptions to the machinery, due to e.g. fires, natural disasters or break-downs may incur

substantial direct and indirect losses. Property or business interruption insurances may not prove adequate to cover such losses and such damages and disruptions may therefore have a material adverse effect on the Group's business, prospects, financial position and results of operations.

The success of the Group is furthermore dependent on effective transportation to and from its storage facilities as well as between its storage facilities. Disruptions in the transportation may, amongst other things, increase the delivery time to customers. Transportation cost may also increase, which may have the effect that the Group increases its freight charges, including for customer returns. These risks may, if materialized, have an adverse effect on the Group's business, prospects, financial position and results of operations.

If the Group does not manage to operate and optimise its logistics (including warehousing) successfully and efficiently, it could furthermore result in excess or insufficient logistical capacity, increased costs or harm of the Group's business in other ways. Any inefficiency in managing inventory (including miscalculations, errors, or omissions in forecasting or ordering) could result in the Group storing wrong, excessive or insufficient inventory of a particular product or group of products. The Group may decide to carry high-inventory levels of certain products that have limited or no return privileges due to customer demand or request. These actions could increase the Group's exposure to inventory obsolescence.

Risk rating: Medium

The Group's business operations may be adversely affected by deficiencies, breach of contract or payment defaults by its suppliers other partners

Consumer demand for the Group's products is affected by the Group's reputation, which in turn is a product of the Group's product offering, advertising, PR, marketing and corporate profile. The Group's production is to a great extent carried out by Asian suppliers. The Group does neither have full insight in the manufacturing process nor the ability to monitor the manufacturing process on site. Hence, it cannot be fully assured that the Group's code of conduct for its suppliers is complied with or that deficiencies does not occur in manufacturing or quality standards. The Group is also exposed to local conditions with regard to working environments and conditions. For example, if a supplier would violates local labour laws or standards, or offers substandard working conditions considered unacceptable in the Nordics, it may have a material adverse effect on the Group's reputation and its brands. Deficiencies in the suppliers may consequently have a material adverse effect on the Group's business, prospects, financial position and results of operations.

Furthermore, it is imperative for the Group's business and reputation that the Group's suppliers meet agreed production quotas, quality standards and delivery times. Defective products or delayed or missing deliveries by the suppliers may cause the Group's deliveries to its customers to be defective and/or delayed, which may have an adverse effect on the Group's business and reputation.

As e-commerce companies are continuously developing their businesses and customer experience, the delivery (where and when) to the customer's home, workplace or other preferred delivery location is increasingly relevant. If the Group is not able to engage distributors that in a cost-efficient way deliver the Group's products according to the customers' delivery preferences, it may have a material adverse effect on the Group's business, prospects, financial position and results of operations. Products may also be delivered as drop ships, where the supplier delivers directly to the customer which means that the Group exercise less quality control of the delivery chain.

The Group may from time to time use distributors or other business partners for distribution purposes on certain geographical markets. The Group has an agreement with Fullbeauty Brands, pursuant to which Fullbeauty Brands distributes products on behalf of the Group on the U.S. market. Failure by Fullbeauty Brands to comply with the agreement with the Group, including to make payments thereunder, may have a material adverse effect on the Group's business, financial condition and results of operations.

Risk rating: Medium

The Group is dependent on certain key individuals and employees and the loss of such persons or failure to attract or retain qualified personnel or senior executives may have an adverse effect on the Group's business

The Group's success is dependent on certain key individuals and the ability to attract, retain and develop qualified personnel and senior executives. Approximately two-thirds of the Group's e-commerce channels assortment consist of the Group's own brands which are developed and designed by the Group's purchasing and assortment departments. The Group is therefore particular dependent on being able to attract, develop, maintain and motivate employees not only being part of senior management but also certain key personnel within *inter*

alia the purchasing and sales departments. As such, the Group's ability to attract qualified personnel is dependent on factors such as the strength of its brand, terms of employment and localisation. As the Group is regarded as an increasingly proficient employer, the risk that competitors and other employers attempt to recruit the Group's employees increases which might lead to loss of personnel but could also lead to increased personnel cost for the Group if competitors and other employers offer higher compensation to the Group's employees leading to the Group having to increase the current compensation levels (for the financial year 2018 the salary to employees of the Group amounted to approximately SEK 250 million excluding social-security contribution) to such employees to be able to retain them. Loss of key individuals or an increase in the compensation to its current employees as a consequence of increased competition could have a material adverse effect on the Group's business, financial condition and results of operations.

Risk rating: Medium

Difficulties in integrating acquired entities or businesses could adversely affect the Group's growth

The Group's growth strategy entails both organic growth and growth through acquisitions. Successful growth through acquisitions is dependent upon the Group's ability to identify suitable acquisition targets, conduct appropriate due diligence, negotiate transactions on favourable terms, and complete such acquisitions and integrate the target companies or businesses into the Group. In future, the Group may not be able to generate expected margins or cash flows, or realise the anticipated benefits of acquisitions, including growth or expected synergies. The Group's assessment of and assumptions regarding acquisition targets may prove to be incorrect, and actual development may differ significantly from expectations. The Group may not be able to integrate acquisitions successfully and such integration may require more investment than anticipated, and the Group could incur or assume unknown or unanticipated liabilities or contingencies with respect to customers, employees or other parties. The process of integrating acquired targets may also be disruptive to the Group's operations, as a result of, among other things, conflicting interests with minority shareholders of non-wholly owned subsidiaries, unforeseen legal issues, and difficulties in realising operating synergies or a failure to maintain the quality of services that have historically been provided thereby affecting its reputation, all of which could cause the Group's results of operations to decline. Furthermore, future acquisitions may divert management's attention from day to day business and may result in the incurrence of additional debt. Should any of the above occur in connection with an acquisition, there could be a material adverse effect on the Group's business, financial condition and results of operations.

Risk rating: Medium

Legal and regulatory risk

The payment solutions and financial services carried out by the Group are subject to financial regulations and authorisations

Each of the Issuer's subsidiaries Ellos AB, Jotex AB and Stayhard AB are licensed by the SFSA to conduct consumer loan intermediation in accordance with the Swedish Certain Consumer Credit-related Operations Act (Sw. *lag (2014:275) om viss verksamhet med konsumentkrediter*). As a result, these subsidiaries are subject to the supervision of the SFSA, including their fulfilment of requirements to have a credit intermediation framework, to comply with the Swedish anti-money laundering and terrorist financing regime and reporting requirements to the SFSA. Failure by the subsidiaries to comply with or properly implement legal requirements may lead to sanctions being imposed or ultimately that the license is withdrawn. If the SFSA were to impose sanctions or ultimately withdraw the companies' licenses for any reason, it could have an adverse effect on the Group's operations, financial position and results of operations.

There are no current licensing requirements under Danish law for granting sales financing credits. However, the Danish Parliament has recently adopted the new Danish Act on Consumer Credit Businesses (the “Consumer Credit Business Act”), which entered into force on 1 July 2019, which contains a requirement for, among others, companies that offer sales financing credits to obtain a license from and be registered with the Danish Financial Supervisory Authority (the “DFSA”). Accordingly, following 1 July 2019, Ellos Denmark A/S may need to become licensed by and publicly registered with the DFSA, in order for the Group to conduct its sales financing credit business as currently conducted. There is a risk that, for instance, a misinterpretation of the Consumer Credit Business Act leads to that the Group will not be fully compliant and that the company will fail to obtain necessary licenses. If the DFSA were to impose sanctions due to regulatory violations and/or deny the company licenses for any reason, it could have an adverse effect on the Group’s operations, financial position and results of operations.

Risk rating: Medium

Trade, import and export restrictions may cause adverse consequences for the business of the Group

The Group mainly relies on Asian suppliers. Trade, export or other restrictions imposed by the relevant jurisdictions or import restrictions imposed by the EU or Sweden may adversely affect the Group’s purchase costs and its supply of goods. The Group’s purchase costs may also be adversely affected by other restrictions such as export or import subsidies, customs duties, textile quotas, embargoes and similar circumstances. Furthermore, the Group’s sales may be affected by customs duties, for example when exporting e-commerce products to Norway. There can neither be any assurance that the jurisdictions where the Group’s products are manufactured or purchased will not be subject to such restrictions or if present restrictions will change, nor is it possible to assess the likelihood of, scope or content of any such trade restrictions. Any such restrictions may have a material adverse effect on the Group’s business, prospects, financial conditions and results of operations.

Risk rating: Medium

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

The Group’s success depends, amongst other things, on its ability to protect, register and enforce its intellectual property rights. The Group holds several own brands, such as Ellos, Jotex, Stayhard, Áhkká Outdoor, Makiash, Sense of Karma, William Baxter and Kvarn. The Group also holds certain domain names and other intellectual property rights. The strength of these brands is a material asset for the Group.

Fashion designers and other designers tend to follow similar trends and the Group’s own design may therefore resemble the design of other designers and companies. Hence, other designers or companies may claim that the Group infringes on their intellectual property rights. The costs incurred in bringing or defending any infringement actions may be substantial, regardless of the merits of the claim, and an unsuccessful outcome for the Group may result in royalties or damages being payable and/or the Group being required to cease using any infringing intellectual property or embodiments of any such intellectual property.

Should the Group not be able to effectively protect its intellectual property rights, or should an infringement claim be brought against the Group, it could have a material adverse effect on the Group’s business, prospects, financial condition and results of operations.

Risk rating: Medium

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

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

If tax authorities carry out tax audits of companies within the Group, there is a risk that the Group’s compliance with tax rules is questioned. There is also a risk that the Group will, by mistake or due to circumstances outside

the Group's control, not comply with applicable tax regulations. Should any of these circumstances occur, it may lead to long-term litigation and to the Group being required to pay significant tax amounts, interests and other penalty charges. There is thus also a risk that the Group will have to defend its tax returns before a court and any subsequent legal proceedings can be costly and divert management's attention from the Group's operations. Tax audits and other audits by local tax authorities may also result in negative publicity, which may adversely affect the Group's reputation. Should the risks described above materialise, it could have a material adverse effect on the Group's business, results of operations and financial position.

Risk rating: Medium

Failure to comply with the General Data Protection Regulation may subject the Group to substantial monetary fines

The EU has adopted a new general data protection regulation 2016/679/EU (the "GDPR"), which entered into force on 24 May 2016 and applies from 25 May 2018. The main objectives of the GDPR are to harmonise EU laws on personal data and facilitate the flows of data across the EU as well as to ensure that personal data enjoys a high standard of protection everywhere in the EU. The GDPR includes new and onerous requirements for the handling of personal data.

As a part of its business operations, the Group handles large amounts of personal data on a daily basis of its approximately 5 million registered customers. The Group's measures to maintain secrecy and integrity of personal data and protected information as well as the justification and lawfulness of the personal data handling could prove to be insufficient. This may create challenges for the Group in order to ensure its compliance with the GDPR. There is a risk that, for instance, a misinterpretation of GDPR leads to that the Group will not be fully compliant. Failure to comply with the GDPR may subject the Group to substantial monetary fines (including administrative fines of up to the greater of EUR 20 million or 4 per cent. of the Group's annual turnover), which could have a material negative impact on the Group's revenues, operations, profitability and financial position. Actions necessary to comply with GDPR may also restrict the Group from processing personal data as it considers commercially appropriate and may therefore have a negative impact on the Group's operations.

Risk rating: Medium

Environmental, social and governance risks

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

The Group operates in a global environment and its activities straddle multiple jurisdictions and complex regulatory frameworks at a time of increased enforcement activity and enforcement initiatives globally in areas such as anti-corruption law. For example, the Group does not own any production facilities or factories but instead cooperate with suppliers and agents in primarily Asia with the largest volumes being produced in China, India and Bangladesh where the risk for corruption could be considered to be higher than in the Nordics. The Group has currently not implemented policies and procedures regarding e.g. sanctions and anti-corruption and the Group's governance and compliance processes may not prevent breaches of law or governance standards by the Group or by its subsidiaries. The Group's failure to comply with applicable laws and other standards could subject it to fines, loss of operating licences and reputational harm. Although management of the Group to the best of their knowledge believes that its current system is sufficient in order to meet the requirements imposed in regulations and by the market, there may be the risk that errors and delays in internal reporting are not discovered in time.

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

Risk rating: Medium

RISK FACTORS SPECIFIC AND MATERIAL TO THE BONDS

Risks related to the nature of the Bonds

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

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

Risk rating: Medium

Risks related to put options, mandatory prepayment and early redemptions

According to the Terms and Conditions, the Bonds will be subject to prepayment at the option of each Bondholder (put option) if (i) FNG NV ceases to own and control at least 100 per cent. of the share and voting capital in the Issuer, (ii) the Bonds are not admitted to trading on Nasdaq Stockholm or another regulated market within sixty (60) days from the issue date or (iii) the Bonds, once admitted to trading, cease to be listed on Nasdaq Stockholm or another regulated market. However, there can be no assurance that the Issuer will have sufficient funds at the time of such prepayment to make the required redemption of Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and consequently adversely affect all Bondholders and not only those that choose to exercise the option.

Furthermore, the Bonds will be subject to a mandatory early redemption in full by the Issuer if (i) the conditions precedent for disbursement have not been fulfilled within 180 business days of the issue date or (ii) the acquisition is terminated, at 101.00 per cent. of the nominal amount of the Bonds redeemed together with accrued but unpaid interest. However, there is a risk that the market value of the Bonds is higher than such redemption amount and that it may only be possible for Bondholders to reinvest such proceeds at a significantly lower effective interest rate.

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

Risk rating: Medium

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's 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. Restrictions relating to the transferability of the Bonds could have a negative effect for some of the Bondholders.

Risk rating: Medium

Benchmark Regulation

The process for determining STIBOR and other interest-rate benchmarks is subject to a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are

set to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has applied. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of benchmark that is used for the Bonds, it could have negative effects for the Bondholders.

Risk rating: Low

Risks related to the Guarantor

General

The Group will need to be integrated in the FNG Group. FNG NV is a holding company with no direct cash flows, and depends on its operating subsidiaries.

The businesses, operating results and financial conditions of FNG NV therefore depend on the business results of the FNG Group. FNG NV's ability to service their/its debts depends on the level of distributions, if there are any, received from their operating subsidiaries, sums received from intragroup loans, raising capital, the realization of assets and its cash balance. Certain operating subsidiaries and affiliated companies within the FNG Group may from time to time become subject to restrictions on their ability to make distributions, for example as a result of restrictive provisions contained in loan agreements, foreign restrictions on fund flows, restrictions under company and tax law, and restrictions under other regulations in cases where they are not the sole owner of those subsidiaries, in case of joint venture agreements with the other shareholders of such subsidiaries or affiliated companies, or agreements relating to royalties or similar agreements. Any such restriction could have a material adverse effect on the business of the FNG Group, its operational results or financial situation, as the case may be.

The FNG Group is faced with a number of inherent risks as a result of the international nature of its activities, in particular in relation to supply channels. Some of the regions where the FNG Group operates (the majority of the fabrication and purchases are done in foreign countries, such as Bulgaria, Turkey, China, India and Bangladesh), have a recent history of economic, social and political instability, particularly Bulgaria, Turkey and Southeast Asia. Currently, approximately 30 % of the products of the FNG Group brands are manufactured in Turkey. Moreover, the FNG Group could decide to access a new major market or to make additional investments in an existing risky market, as a result of which the FNG Group could become exposed to additional or heightened social, political or economic instability or other risks. These risks relate to a wide range of factors including, but not limited to, the following: currency restrictions, exchange rate controls and other restrictive or protectionist monetary policies and actions; the imposition of unexpected taxes or other tax obligations on the FNG Group; changes in the political, legal or economic landscape; economic sanctions; political unrest or terrorism; expropriation, nationalization or the destruction of property; the alteration of contract terms; the imposition of import regulations or other government measures; restrictions on the ability of the FNG Group to transfer funds or retrieve funds from its subsidiaries; restrictions in certain countries on investments by foreign companies; differing labour laws and cultural expectations of employment; and different cultural expectations in terms of industrialization, international business and business relationships. Specific important events in the markets in which the FNG Group operates, including natural disasters, can have a negative effect on the regional business or results of the FNG Group. In general, it is not possible to predict new governmental regulations, changes in political regimes, political, social or economic instability, war, terrorism, sabotage, other armed conflicts and general unrest in the countries in which the FNG Group is active. Furthermore, it could be difficult for the FNG Group to achieve its goals or to profit from the growth and acquisition possibilities in certain markets due to incorrect assumptions by the FNG Group regarding regulations, market practices and market or country characteristics. Materialization of any of the aforementioned risks could have a material adverse effect on the activities, operating results and financial condition and outlook of the FNG Group.

Risk rating: Medium

FNG NV could face an unexpected need for liquidity which the capital markets are unable to meet and has an extensive amount of outstanding debt

FNG NV's operational cash flows are highly variable, due to (i) the sector which the FNG Group is operating in (i.e. the retail sector) and (ii) seasonal influences. There is a risk of insufficient liquidity within the FNG Group to meet the demands for working capital, needed in order to finance FNG Group's growth. In the event of a liquidity shortfall, FNG NV will have to obtain additional financing for the group.

To date, the FNG Group is to a large extent financed by borrowed capital. A large part of FNG Group's outstanding financial debt (e.g. credit agreements and bond loans) shall expire in the course of 2023. In the past, the FNG Group generally obtained new financing prior to the maturity date of the relevant loan agreements and/or bond loans. Hence, it is the intention of the Group to obtain also new financing for the current existing debt prior to the relevant maturity date in 2023.

Risk rating: Medium

The FNG Group relies on the know-how and expertise of its existing management

The performance of FNG Group is largely dependent on the efforts and abilities of its management. Current managers have significant experience and expertise in the fashion industry and are essential for the success of FNG NV. If these individuals cannot be retained or if talented new employees cannot be attracted, the Group's business could be adversely affected.

In addition, the FNG Group is largely dependent on its key management, Dieter Penninckx, Anja Maes and Manu Bracke. Dieter Penninckx and Anja Maes are partners. If these individuals cannot be retained or if a personal issue emerges in the relationship between Dieter Penninckx and Anja Maes this could adversely affect FNG Group's business. Further, FNG Group will continue to develop its internal organization (systems, procedures, etc.) in the context of anticipated growth and the integration of new business units. FNG Group must pay specific attention to the recruitment and training of personnel, logistical processes and the operational impact of the development of a retail chain. If the FNG Group does not succeed in accomplishing these tasks, this could have a negative impact on FNG Group's results and specifically its growth potential. Not all key managers and employees are subject to a non-compete undertaking.

Risk rating: Medium

The financing arrangements of the FNG Group could limit the FNG Group's operations

The commercial and financial flexibility of the FNG Group is restricted by a number of financial covenants in the financing arrangements it has concluded. The FNG Group currently complies with all of its financial covenants. Nevertheless, such arrangements could have major consequences for the activities of the FNG Group, including (i) making it more difficult for the group to satisfy its debts and other obligations; (ii) requiring the group to use a portion of the cash flow from operating activities to settle debts; (iii) increasing the vulnerability of the group during an economic recession; (iv) limiting the flexibility of the group to plan for or respond to actions by competitors or changes in its business or industry; (v) limiting the group's ability to make strategic acquisitions and take advantage of certain business opportunities or other growth projects; and (vi) limiting the possibility for the group to borrow funds or attract equity in the future. Future violations of these covenants, arrangements or the terms of an outstanding loan could lead to accelerated reimbursement of an existing or future debt, which would have a negative effect on the ability of the group to settle its other debts, potentially leading to bankruptcy. The risks described above could increase if new debts are incurred.

Risk rating: Medium

FNG NV may become taxable in a jurisdiction other than Belgium, and this may increase the aggregate tax burden on the FNG Group

FNG NV intends to have, on a continuous basis, its place of effective management in Belgium. Therefore, FNG NV should be a tax resident of Belgium under Belgian national tax law. By reason of FNG NV's incorporation under Dutch law, FNG NV could also be deemed tax resident in the Netherlands under Dutch national tax law. However, based on the current management structure of FNG NV and current tax laws of Belgium and the Netherlands, as well as applicable income tax treaties, and current interpretations thereof, FNG NV should be tax resident solely in Belgium for the purposes of the convention between Belgium and the Netherlands for the avoidance of double taxation with respect to taxes on income.

The applicable tax laws, tax treaties or interpretations thereof may change. Furthermore, whether FNG NV has its place of effective management in Belgium and is as such tax resident in Belgium is largely a question of fact

and degree based on all circumstances, rather than a question of law, which facts and degree may also change. Changes to applicable tax laws, tax treaties or interpretations thereof and changes to applicable facts and circumstances (e.g., a change of board members or the place where board meetings take place), may result in FNG NV becoming a tax resident of a jurisdiction other than Belgium, potentially also triggering an exit tax liability in Belgium.

As a consequence, FNG Group's overall effective income tax rate and income tax expense could materially increase, which could have a material adverse effect on the combined group's business, results of operations, financial condition and prospects.

Risk rating: Low

FNG NV is exposed to interest rate risk

Some of the FNG Group's existing and future debts and loans are subject to, or may be subject to, variable interest rates. The financing costs of the FNG Group are thus subject to interest rate fluctuations. An increase of 0.1% in the one-month or three-month Euribor rates would result in an additional burden of approximately EUR 120,000 annually. When appropriate, and in accordance with FNG's hedging policy, the group seeks to minimise its exposure to interest rate risk by entering into interest rate swap contracts in order to exchange variable interest rates for fixed rates over the lifespan of a number of its debts and loans. Unfavourable fluctuations and increases in interest rates, insofar as these are not hedged, could have an adverse effect on the activities of the group, its operating results or financial situation.

Risk rating: Low

Risks related to the Transaction Security and Guarantees

Risks related to the Transaction Security and the Guarantees

Although the obligations under the Bonds and certain other obligations of the Group towards the Bondholders, the SSRCF creditors and certain other creditors (jointly the Secured Parties) will be secured by first priority security including guarantees, there is a risk that the proceeds of any enforcement sale of the security assets or enforcement of guarantees will not be sufficient to satisfy all amounts then owed to the Secured Parties or the amounts then due in respect of the Bonds. Furthermore, if the Issuer increases the SSRCF commitments and/or incurs capex facility commitments or hedging obligations, the security position of the current Bondholders may be impaired.

The Issuer shall, not later than 120 days from the closing date of the Acquisition, provide evidence to the Agent that certain Transaction Security Documents have been duly executed, granted and perfected, and that certain members of the Group have acceded as Guarantors to the Guarantee Agreement and as ICA Group Companies to the Intercreditor Agreement. Until such measures have been taken, the Bondholders' security position will be limited.

The relation between the Secured Parties will be governed by the Intercreditor Agreement between, among others, the Issuer, a security agent initially being Nordic Trustee & Agency AB (publ) (in this capacity, the "**Security Agent**"), and the Secured Parties. The Security Agent may e.g. release Transaction Security and Guarantees, subject to the terms of the Intercreditor Agreement and in accordance with the terms of the Transaction Security Documents, the Guarantee Agreement and the Intercreditor Agreement. Any such release may negatively affect the combined total value of all Guarantees and the Transaction Security.

The Security Agent will take enforcement instructions from the Secured Parties. However, if the Agent (representing the Bondholders) wishes to enforce the Security and the Guarantees, the Agent must first consult with the other Secured Parties (in the event there is no agreement on the proposed enforcement action) for a period of 30 days after which the Agent (representing the Bondholders) may instruct the Security Agent to take such action. The other Secured Parties may thus delay enforcement even if the Bondholders consider it unnecessary. Furthermore, the Security Agent may act in a manner that the Bondholders believe is to their detriment. In some situations (e.g. where another Secured Party has requested enforcement action to be taken but the Bondholders have not provided any enforcement instruction to the Security Agent within three (3) months after the end of the consultation period, or where enforcement action requested by the Bondholders has not resulted in any enforcement proceeds being made available to the Security Agent within six (6) months after the end of the consultation period), the other Secured Parties may give enforcement instructions to the Security Agent.

The Bondholders and the other Secured Parties will be represented by the Security Agent in all matters relating to the Transaction Security and the Guarantees. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Transaction Security and the Guarantees. The Transaction Security and Guarantees are subject to certain hardening periods during which times the Secured Parties do not fully, or at all, benefit from the security.

Subject to the terms of the Intercreditor Agreement, the Security Agent is entitled to enter into agreements with the Issuer or a third party or take any other actions necessary for the purpose of maintaining, releasing or enforcing the Transaction Security and the Guarantees or for the purpose of settling, among others, the Bondholders' rights to the security. Although there is a limitation that such actions shall not be taken if the Security Agent deems the action to be detrimental to the interests of the Bondholders, it cannot be guaranteed that actions will not be taken that may be considered to be detrimental in the view of some or all of the Bondholders.

Risk rating: High

Risks relating to the enforcement of the Transaction Security and the Guarantees

The Bondholders will receive proceeds from an enforcement of the Transaction Security and the Guarantees only after obligations of other Secured Parties secured on a super senior basis have been repaid in full.

The Transaction Security and Guarantees may be subject to certain limitations on enforcement (in addition to those set out in the Intercreditor Agreement) and may be limited by applicable Swedish or other relevant law or subject to certain defences that may limit its validity and enforceability.

If a subsidiary which shares are pledged in favour of the Secured Parties is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such share pledge may then have limited value because all of the subsidiary's obligations must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for the Secured Parties. As a result, the Secured Parties may not recover full or any value in the case of an enforcement sale of such pledged shares. In addition, the value of the shares subject to the pledge may decline over time.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the Bondholders will only have an unsecured claim against the remaining assets (if any) of the Issuer for the amounts which remain outstanding under or in respect of the Bonds.

Risk rating: Medium

Security granted to secure the Bonds may be unenforceable or enforcement of the Transaction Security and Guarantees may be delayed

The insolvency laws of Sweden or other applicable jurisdictions may preclude or limit the right of the Bondholders from recovering payments under the Bonds. The enforceability of the Transaction Security and the Guarantees may be subject to uncertainty. The security may be unenforceable if (or to the extent), for example, the granting of the security was considered to be economically unjustified for such security providers (corporate benefit requirement). The security may also be limited in value, inter alia, to avoid a breach of the corporate benefit requirement. Furthermore, the Transaction Security and Guarantees will be subject to certain limitations relating to financial assistance in the relevant jurisdictions.

The security may not be perfected, inter alia, if the Security Agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of any such security, or if the pledgor has a right to dispose of assets subject to security. Such failure may result in the invalidity of the relevant Transaction Security and Guarantee or adversely affect the priority of such security interest, including a trustee in bankruptcy and other creditors who claim a security interest in the same security.

If the Issuer is unable to make repayment under the Bonds and a court renders a judgment that the security granted in respect of the Bonds is unenforceable, the Bondholders may find it difficult or impossible to recover the amounts owed to them under the Bonds. Therefore, there is a risk that the security granted in respect of the Bonds might be void or ineffective. In addition, any enforcement may be delayed due to any inability to sell the security assets.

Risk rating: Medium

Risks relating to release of Transaction Security and the Guarantees

The Security Agent may at any time (without the prior consent of the Bondholders), acting on instructions of the Secured Parties, release the Transaction Security and Guarantees in accordance with the terms of the Intercreditor Agreement. Although the Transaction Security and Guarantees shall be released pro rata between the Secured Parties and continue to rank pari passu between the Secured Parties, such release will impair the security interest and the secured position of the Bondholders, especially since the enforcement proceeds from the remaining security are not distributed equally between the Secured Parties.

Risk rating: Medium

Security over assets granted to third parties

The Issuer and its subsidiaries may, subject to certain limitations, from time to time incur additional financial indebtedness and provide additional security for such indebtedness. In the event of bankruptcy, re-organisation or winding-up of the Issuer, the Bondholders will be subordinated in right of payment out of the assets being subject to security. For information on similar events of a subsidiary, please refer to Section “*Insolvency of subsidiaries and structural subordination*” below.

Risk rating: Medium

Insolvency of subsidiaries and structural subordination

In the event of insolvency, liquidation or a similar event relating to one of the Issuer’s subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such company before the Issuer, as a shareholder, would be entitled to any payments. Defaults by, or the insolvency of, subsidiaries of the Issuer may result in the obligation of the Issuer to make payments under financial or performance guarantees in respect of such companies’ obligations or the occurrence of cross defaults on certain borrowings of the Group. The Issuer and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

Further, the Group operates in various jurisdictions and in the event of bankruptcy, insolvency, liquidation, dissolution, reorganisation or similar proceedings involving the Issuer or any of its subsidiaries, bankruptcy laws other than those of Sweden could apply. The outcome of insolvency proceedings in foreign jurisdictions is difficult to predict and could have a material and adverse effect on the potential recovery in such proceedings, which in turn carries a risk in relation to the Bondholders not receiving payment under the Bonds.

Risk rating: Medium

Risks related to the Bondholders’ rights and representation

No action against the Issuer and Bondholders' representation

In accordance with the Terms and Conditions, the Agent represent all Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. However, there is a risk that an individual Bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions), which could negatively impact an acceleration of the Bonds or other action against the Issuer.

To enable the Agent to represent Bondholders in court, the Bondholders and/or their nominees 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, there is a risk that the actions of the Agent in such matters will impact a Bondholder’s rights under the Terms and Conditions in a manner that is undesirable for some of the Bondholders.

Risk rating: Low

OVERVIEW OF THE BONDS AND USE OF PROCEEDS

This section (Overview of the Bonds) is only intended to serve as an introduction to the Bonds. Any decision to invest in the Bonds shall be based on an assessment of all information contained in this Prospectus as well as all documents incorporated herein by reference. The Terms and Conditions of the Bonds are found on page 55 and onwards below.

The Bonds

The Bonds have a Nominal Amount of SEK 1,000,000 each and are denominated in Swedish kronor. The aggregate nominal amount of the Bonds is SEK 1,500,000,000. In total, 1,500 Bonds have been issued. All Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

ISIN and trading code

The Bonds have been allocated the ISIN code SE0012827996. The Bonds will also be allocated a trading code upon admission to trading. Such trading code has not been allocated at the date of this Prospectus.

Form of the Bonds

The Bonds are issued in dematerialised book-entry form and registered on a Securities Account on behalf of the relevant Bondholder. Hence, no physical bonds have been issued. The Bonds are registered in accordance with the Financial Instruments Accounts Act and registration requests relating to the Bonds shall be directed to an Account Operator.

The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

Status of the Bonds

The Bonds are constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.

Subject to the Intercreditor Agreement, the Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.

Issuance, repurchase and redemption

Issue Date and Final Maturity Date

The Bonds were issued on 25 July 2019. Unless previously redeemed or repurchased and cancelled in accordance with the Terms and Conditions, the Issuer shall redeem all, but not some only, of the outstanding Bonds in full with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on 25 July 2024 (the “**Final Maturity Date**”).

Voluntary total redemption (call option)

The Issuer may redeem all, but not some only, of the outstanding Bonds in full in accordance with the following:

Period of time	Price per Bond
Any time prior to the First Call Date.	At an amount per Bond equal to 103.375 per cent. of the Nominal Amount, and the remaining interest payments up to (and including) the First Call Date, together with accrued but unpaid Interest
Any time from and including the First Call Date to, but excluding, the first Business Day falling thirty six (36) months after the Issue Date.	At an amount per Bond equal to 103.375 per cent. of the Nominal Amount together with accrued but unpaid Interest.
Any time from and including the first Business Day falling thirty-six (36) months after the Issue Date to, but excluding,	At an amount per Bond equal to 102.700 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

Period of time	Price per Bond
the first Business Day falling forty-two (42) months after the Issue Date.	
Any time from and including the first Business Day falling forty-two (42) months after the Issue Date to, but excluding, the first Business Day falling forty-eight (48) months after the Issue Date.	At an amount equal to 102.025 per cent. of the Nominal Amount together with accrued but unpaid Interest.
Any time from and including the first Business Day falling forty-eight (48) months after the Issue Date to, but excluding, the first Business Day falling fifty-four (54) months after the Issue Date.	At an amount equal to 101.350 per cent. of the Nominal Amount together with accrued but unpaid Interest.
Any time from and including the first Business Day falling fifty-four (54) months after the Issue Date to, but excluding, the Final Maturity Date.	At an amount equal to 100.675 per cent. of the Nominal Amount together with accrued but unpaid Interest.
Notwithstanding the above, at any time from and including the first Business Day falling three (3) months before the Final Maturity Date to, but excluding, the Final Maturity Date.	At an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, provided that the aggregate outstanding Nominal Amount of the Bonds are refinanced in full by way of the Issuer issuing Market Loan(s).

See further in Clause 12.4 of the Terms and Conditions.

Early redemption due to illegality (call option)

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

See further in Clause 12.5 of the Terms and Conditions.

Repurchase upon a Change of Control, Delisting or a Listing Failure (put option)

Upon the occurrence of a Change of Control, Delisting or a Listing Failure, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) calendar days following the effective date of a notice from the Issuer of the Change of Control or Listing Failure (as applicable).

See further in Clause 12.6 of the Terms and Conditions.

Mandatory redemption due to failure to fulfil the Conditions Precedent

If (a) the Conditions Precedent have not been fulfilled within nine (9) months from 4 July 2019; or (b) the Acquisition is terminated, the Issuer shall redeem all Bonds at a price equal to one hundred and one (101.00) per cent., of the Nominal Amount together with any accrued but unpaid Interest. The redemption of the Bonds shall (i) be executed on the first Interest Payment Date (taking into account the rules and regulations of the CSD) and (ii) be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent.

See further in Clause 12.7 of the Terms and Conditions.

Payments in respect of the Bonds

Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds requested by a Bondholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

Interest and default interest

Each Bond carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date. Interest accrues during an Interest Period. Subject to the Intercreditor Agreement, payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Bondholders on each Interest Payment Date for the preceding Interest Period.

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).

If the Issuer fails to pay any amount payable by it under the Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is 200 basis points higher than the Interest Rate. The default interest shall not be capitalised but be payable to each person who was a Bondholder on the Record Date for the original due date. 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.

Use of benchmarks

Interest payable for Bonds will be calculated by reference to STIBOR. At the date of this Prospectus, the administrator does not appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware the provisions in Article 51 of the Benchmark Regulation apply, such that the administrator is not yet required to obtain authorisation or registration.

Acceleration and prepayment of the Bonds

Subject to the terms of the Intercreditor Agreement, if an Event of Default has occurred and is continuing the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Bondholder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction or decision pursuant to Clause 16.10.6 or 16.10.7 of the Terms and Conditions, 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).

Each of the events or circumstances set out below is an Event of Default:

(a) Non-payment

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

(b) Other obligations

- (i) A Group Company does not comply with its obligations under the Finance Documents (other than those referred to in Clause 16.1 (*Non-payment*) of the Terms and Conditions).
- (ii) No Event of Default under paragraph (i)) above will occur if the failure to comply is capable of being remedied and is remedied within fifteen (15) Business Days of the earlier of:
 - (A) the Agent giving notice to the Issuer; and
 - (B) the Issuer becoming aware of the non-compliance.

(c) Cross-acceleration

- (i) Any Financial Indebtedness of a Material Group Company is not paid when due as extended by any originally applicable grace period.
- (ii) Any Financial Indebtedness of a Material Group Company is declared to be due and payable prior to its specified maturity as a result of an event of default (however described).
- (iii) No Event of Default will occur under Clause 16.3 of the Terms and Conditions if:

- (A) the Financial Indebtedness is owed by a Group Company to another Group Company;
- (B) the aggregate amount of Financial Indebtedness falling within paragraphs (a) to (b) above is less than the lower of (i) SEK 50,000,000 (or its equivalent in any other currency or currencies) and (ii) the monetary threshold set out in any provision of the Super Senior RCF corresponding to Clause 16.3 of the Terms and Conditions (which, for the avoidance of doubt, shall be construed as zero (0) if the corresponding provision of the Super Senior RCF does not contain a monetary threshold).

(d) Insolvency

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

(e) Insolvency proceedings

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

(f) Mergers and demergers

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

(g) Creditors' process

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

(h) Impossibility or illegality

- (i) It is or becomes impossible or unlawful for the Obligors to fulfil or perform any of the provisions of the Finance Documents which has a detrimental effect on the interests of the Bondholders or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.
- (ii) No Event of Default will occur under Clause 16.8 of the Terms and Conditions due to illegality of the Issuer to perform its obligations under the Finance Documents:
 - (A) until expiry of the period for notice of redemption pursuant to Clause 12.5 (*Early redemption due to illegality (call option)*) of the Terms and Conditions; and
 - (B) if the Issuer has given notice of a redemption pursuant to Clause 12.5 (*Early redemption due to illegality (call option)*) of the Terms and Conditions and provided that such redemption is duly exercised.

(i) Cessation of business

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

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

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

See further in Clause 16 of the Terms and Conditions.

General Undertakings

The Issuer makes certain undertakings in the Terms and Conditions. These include undertakings and limitations relating to:

- distributions;
- admission to trading;
- nature of business;
- financial indebtedness;
- clean down period;
- loans out;
- negative pledge;
- guarantors;
- conditions subsequent;
- disposal of assets;
- dealings with related parties;
- compliance with laws;
- authorisations;
- agent agreement; and

- the CSD.

See further in Clause 15 of the Terms and Conditions.

Admission to trading of Bonds

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

Further, if the Bonds have not been admitted to trading within sixty (60) days from the Issue Date (although the Issuer will use its best efforts to have the Bonds admitted to trading within thirty (30) days from the Issue Date) a Listing Failure will occur, see further under the heading “*Repurchase upon a Change of Control, Delisting or a Listing Failure (put option)*” in Clause 12.6 of the Terms and Conditions.

It is estimated that the Issuer’s costs in conjunction with the admission to trading will be no higher than SEK 250,000.

Financial Undertakings

Maintenance covenant

The Issuer shall on each Quarter Date ensure that Cash exceeds ten (10.00) per cent. of the aggregate Nominal Amount of the Bonds.

See further in Clause 14.1 of the Terms and Conditions.

Incurrence Test

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

The Incurrence Test is met if the Leverage Ratio (adjusted in accordance with the Terms of Conditions) of the Terms and Conditions does not exceed:

- (a) from (and including) the Issue Date to (and including) the date falling two (2) years thereafter, 4.00:1;
- (b) from (and excluding) the date falling two (2) years after the Issue Date to (and including) the date falling three (3) years after the Issue Date, 3.00:1; and
- (c) thereafter, 2.50:1.

See further in Clause 14.2 of the Terms and Conditions.

Guarantee

The Guarantor shall, pursuant to the Terms and Conditions, provide an irrevocable guarantee (as for its own debt) for the full and punctual payment by the Issuer of all present and future payment obligations and liabilities consisting of principal and interest incurred by the Issuer to the Agent, Security Agent and the Bondholders (or any of them) under the Terms and Conditions and undertakes with the Security Agent that whenever the Issuer does not pay any amount when due under the Terms and Conditions, the Guarantor shall immediately on demand pay that amount as if it was the principal obligor.

Decisions by Bondholders

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.

Only a Bondholder, or a person who has been provided with a power of attorney or other authorisation in accordance with the Terms and Conditions from a Bondholder:

- (a) on the Business Day specified in the notice pursuant to the Terms and Conditions, in respect of a Bondholders’ Meeting, or

- (b) on the Business Day specified in the communication pursuant to the Terms and Conditions, 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 Adjusted Nominal Amount.

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 the Issuer or the other Bondholders.

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 also be 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.

See further Clause 18 of the Terms and Conditions.

No direct action by Bondholders

Subject to certain exemptions set out in the Terms and Conditions, a Bondholder may not take any steps whatsoever against the Issuer 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 or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents.

See further Clause 25 of the Terms and Conditions.

Prescription

The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed 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 prescribed and has become void.

Governing law and jurisdiction

The 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. The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*). The submission to the jurisdiction of the City Court of Stockholm shall however 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.

The CSD

Euroclear Sweden, Swedish Corporate ID No. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden, is initially acting as Central Securities Depository (CSD) and registrar in respect of the Bonds.

The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Bonds. 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.

The Agent and the Agency Agreement

Nordic Trustee & Agency AB (publ), Swedish Corporate ID No. 556882-1879, is initially acting as Agent on behalf of the Bondholders in accordance with the Terms and Conditions.

Pursuant to the Agency Agreement that was entered into on or before the Issue Date between the Issuer and the Agent, the Agent has undertaken to represent the Bondholders in accordance with the Terms and Conditions. The Issuer has undertaken to, among other things, pay certain fees to the Agent. The Agency Agreement is

available to the Bondholders at the office of the Agent during normal business hours and also on display at the office of the Issuer, see “*Legal considerations and supplementary information - Documents on display*”. The Agency Agreement is governed by Swedish law.

The Issuing Agent

ABG Sundal Collier ASA, Munkedamsveien 45, N-0205 Oslo, Norway, is initially acting as Issuing Agent in accordance with the Terms and Conditions of the Bonds.

Use of proceeds

The Net Proceeds from the Bonds shall initially be deposited in the Escrow Account. Upon release from the Escrow Account, the amount so released from the Escrow Account shall be applied by the Issuer towards (i) funding of the purchase price for the Acquisition and the refinancing (directly or indirectly) of existing indebtedness of the Target and its Subsidiaries (including related fees, costs and expenses of such refinancing), and (ii) thereafter, for general corporate purposes of the Group.

DESCRIPTION OF THE ISSUER AND THE ACQUISITION OF ELLOS

Introduction and business overview

The Issuer is a holding company and does not perform any operating activities. As further described below on pages 38-39 under section “*The acquisition of Ellos*”, an agreement was entered into to acquire Ellos through the Issuer. The Issuer has, as of the date of this Prospectus, only entered into the share purchase agreement regarding the acquisition of Ellos, and issued the Bonds in relation to financing of the acquisition.

Summary of the Issuer’s history and development

The Issuer is a newly established holding company, a wholly-owned of FNG Finance Belgium BVBA. The Issuer was established for the sole purpose of acquiring Ellos.

Issuer’s history

2018	The Issuer was incorporated in Sweden.
2019	The Issuer was acquired by FNG Finance Belgium BVBA from a Swedish provider of shelf companies.
2019	The Issuer entered into a share purchase agreement regarding the acquisition of the shares in Ellos.

Business areas

The Issuer is a holding company and does not perform any operating activities. As further described below on pages 38-39 under section “*The acquisition of Ellos*”, an agreement was entered into to acquire Ellos through the Issuer. The Issuer has, as of the date of this Prospectus, only entered into the share purchase agreement regarding the acquisition of Ellos, and issued the Bonds in relation to financing of the acquisition.

Material trends, uncertainties, demands and commitments

There are no material trends, uncertainties, demands and commitments applicable for the Issuer as the sole purpose of the Issuer is to constitute holding a company for Ellos.

General corporate information

The Issuer

The Issuer’s legal and commercial name is FNG Nordic AB (publ), and its Swedish Corporate ID No. is 559175-1325. The registered office of the Issuer is c/o Mannheimer Swartling Advokatbyrå AB, Norrlandsgatan 21, Box 1711, 111 87 Stockholm and the Issuer’s seat is located in Stockholm, Sweden. The Issuer was incorporated in Sweden on 19 June 2018 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 12 October 2018. The Issuer is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*). The Issuer’s LEI Code is 984500AFAA591N80BA13. The Issuer’s website is www.fng.eu. The information on the Issuer’s website does not form part of this Prospectus unless such information is incorporated by reference into this Prospectus.

Pursuant to article 3 of the articles of association of the Issuer, the object of the Issuer shall be to own and administer shares, value papers and other movable property as well as real property, directly or indirectly carry out trading mainly with textile and ready-to-wear clothing products and other activities compatible therewith.

The Issuer intends to finance its business operations by way of funds generated by its current and future direct or indirect business operations and by the proceeds from the issue of Bonds.

Legal structure

The Issuer is a newly established holding company, a wholly-owned subsidiary of FNG Finance Belgium BVBA, which in turn is a wholly-owned subsidiary of the Guarantor. Hence, the Issuer is part of the FNG Group. The Issuer was established solely for the purpose of acquiring Ellos. Since the Issuer as of the date of this Prospectus is not conducting any operations and until the completion of the acquisition of Ellos, the Issuer is dependent on the Guarantor and/or other members of the FNG Group to generate revenues and profit for the Issuer to be able to fulfil its payment obligations under the Bonds. Following completion of the acquisition of Ellos, operations will be conducted by the operating companies of Ellos and the Issuer will then thus be dependent on Ellos being able to generate revenues and profit in order for the Issuer to fulfil its payment obligations under the Bonds.

Refer to section “*Legal structure*” on pages 45-46 for further information on the legal structure of the FNG Group.

The share, main shareholders and control

The Issuer is a wholly-owned subsidiary of FNG Finance Belgium BVBA, which in turn is a wholly-owned subsidiary of the Guarantor.

Under its current articles of association, the Issuer’s share capital shall be not less than SEK 500,000 and not more than SEK 2,000,000, divided into not fewer than 500,000 shares and not more than 2,000,000 shares. The Issuer has only one class of shares. The Issuer’s registered share capital is SEK 500,000, represented by 500,000 shares. Each share has a quota value of SEK 1. All of the Issuer’s shares are of the same share class and there is no difference in voting power among the shares.

The Issuer complies with applicable rules and regulation (such as the Swedish Companies Act) to ensure that the control over the Issuer is not abused.

The acquisition of Ellos

On 4 July 2019, Nordic Capital Fund VII and the Guarantor announced that they have entered into a share purchase agreement regarding the shares in Ellos. The Guarantor is intending to acquire Ellos through the Issuer, which is an indirect wholly-owned subsidiary of the Guarantor. Following completion of the transaction, Cidron e-com S.a.r.l. will become a significant minority shareholder in the Guarantor. The acquisition will, *inter alia*, be financed by the Bonds issued by the Issuer in connection with the acquisition.

Presented below is a brief description of Ellos’ history and business prior to the acquisition as well as the reasons for the acquisition.

Overview of Ellos’ business

Ellos is an e-commerce leader in fashion and home furnishings in the Nordic region, with the strong brands Ellos, Jotex, Stayhard and Homeroom, each with distinct value propositions. Today, Ellos has approximately 1.7 million active customers with a particular stronghold in Ellos’ core customer group of 30-60 year old women. Ellos offers an attractive mix of own and external brands through its online stores and on external platforms. Furthermore, Ellos offers financial services through its well-invested and scalable platform.

Ellos’ history

1947	Ellos was founded by Olle Blomqvist.
1953	The first mail-order catalogue was issued.
1978	The current headquarter in Viared, outside of Borås, was opened.
1980s	Ellos establish business in Norway and Finland during the 1980s.
1988	Ellos was acquired by the ICA Group.
1995-1997	Industri Kapital is the majority owner of Ellos.
1996	Ellos’ competitor Josefssons was acquired and later merged into Ellos’ offering.
1997	Ellos was sold to the French PPR Group (now Kering) and became part of PPR’s e-commerce division.
2004	Jotex was acquired.
2013	Ellos was acquired by the Swedish private equity house Nordic Capital Fund VII.
2014	Ellos acquired the e-commerce company Stayhard.
2017	Ellos launched a new e-commerce platform and strengthen its position as a lead actor within the segment for e-commerce for fashion and home furnishings in the Nordic region.
2019	On 4 July 2019, Nordic Capital Fund VII and the Guarantor announced that they have entered into a share purchase agreement regarding the shares in Ellos.

Ellos’ organisation

Ellos’ organisation contains of three brands with different target groups:

- Ellos – a department store which is divided into two business areas, Ellos home and Ellos fashion. The home segment accounts for 34 per cent. of total revenue. In the fashion segment, womenswear is the largest sub-business area, accounting for 26 per cent. of the Ellos brand’s turnover.

- Jotex – a home and textile online retailer; and
- Stayhard – a fashion store for young men.

Reasons for the transaction

The addition of Ellos to the FNG Group will add an attractive home interior product offering, provide access to the Nordic market, increase e-commerce capabilities and is expected to generate synergies both in terms of top-line potential and from efficiency gains. Furthermore, the FNG Group will examine whether it can roll out the financial services offered by Ellos to its customers in the Nordics to the FNG Group's existing customer base in the Benelux. The FNG Group estimates the annual EBITDA impact of synergies to amount to at least €25 million in the medium term through cross-selling, offering financial services to FNG customers, joint sourcing and purchasing via FNG's buying platform and economies of scale.

The combined entity will have a geographically diversified business with maintained strong market position, attractive product mix in fashion and home interior as well as a balanced mix between own and external brands. The combined entity will become a leading player in the European fashion and home interior retail landscape.

DESCRIPTION OF THE GUARANTOR

Introduction and business overview

The Guarantor is the parent company of the FNG Group and was incorporated in 1953 as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands under the name “Diks en Coenen N.V.”, legal predecessor of “Dico International N.V.”. In 2018, the registered office of the Guarantor was transferred from the Netherlands to Belgium and converted from a public limited liability company under the laws of the Netherlands into a public limited liability company under the laws of Belgium. In that same year, an application was made for the admission to trading and listing of Guarantor's shares on Euronext Brussels, as a result of which the Guarantor's shares are now listed on Euronext Brussels and Euronext Amsterdam. The market of reference was changed from Euronext Amsterdam to Euronext Brussels.

The FNG Group is a strong growing Benelux-fashion group with activities in Belgium, the Netherlands, Luxembourg, France, Spain and Germany. The FNG Group designs and distributes clothing and shoes for women, children and men through its own concept-stores at top locations in Belgium and the Netherlands and through a network of multi-trademark stores on the domestic markets as well as in foreign countries. The FNG Group has more than 3,000 employees, realising a turnover of approximately EUR 500,000,000.

The growth figures of the FNG Group prove that fashion and quality go hand in hand with success. The FNG Group has built a strong diversified brand portfolio with brands such as Fred & Ginger, CKS, Claudia Sträter, Miss Etam, Espresso, Ginger, Promiss, Baker Bridge, Brantano and Steps. The brands are sold internationally in more than 500 concept stores, shop-in-shop corners and in more than 1,500 multi-brand stores.

Currently, the FNG Group has two headquarter sites, one located in Belgium (Mechelen) and one located in the Netherlands (Diemen), which are used for developing and commercialising the brands, as well as two logistic platforms, one in Belgium which is mainly used for shoes (Erembodegem) and one in the Netherlands, which is mainly used for fashion (Zoetermeer).

Summary of the Guarantor's history and development

1953	The Guarantor was incorporated as a public limited liability company (<i>naamloze vennootschap</i>) under the laws of the Netherlands under the name “Diks en Coenen N.V.”, legal predecessor of “Dico International N.V.”.
2003	The FNG Group was founded
2005	Fred & Ginger launched its multi-brand store concept onto the market with the opening of four own concept stores
2006	The Hilde & Co stores were integrated in July 2006, resulting in the expansion of Fred & Ginger to ten own concept stores.
2008	2008 turned out to be a key year: by going public (free market, Euronext Brussels), Fred & Ginger acquired a strong financial basis to finance its further expansion.
2009	Acquisition of CKS in 2009, as a result of which the FNG Group expanded to 45 own stores and more than 1,000 independent multi-brand boutiques
2011	The number of concept stores grew to more than 60.
2012	The FNG Group acquired Claudia Sträter and gained a key position in the Dutch market with 27 concept stores and 12 corners at the Bijenkorf department stores.
2013	The FNG Group acquired the group who owned the Dutch brand Espresso, which reinforced its sales network in the Netherlands and Germany and its retail position on the Dutch market.
2014	The FNG Group expanded its centrally coordinated buying platform with offices in Istanbul, New Delhi and Hong Kong and added the women's brand Steps to its portfolio.
2015	Launch of Ginger, a new ladies collection and launch of F.R:E:D, a new retail concept.
2016	The FNG Group integrated Miss Etam into the FNG Group, a retailer with more than 100 sales points and a workforce of more than 800 employees. In September 2016, Brantano, the market leader for shoes in Belgium, was added to the FNG Group. The FNG Group immediately started with the roll-out of a new store concept in which shoes and clothing are combined.
2017	The FNG Group changed its name to “FNG” and made plans to further increase its growth in the next few years with its buy-and-build strategy. At the end of 2017, Suitcase and Concept Fashion became part of the FNG Group.

2018

Brantano launched two new retail concepts, Brantano Boutik and Brantano Market, as well as a brand new online platform. In the near future, Suitcase and Concept Fashion will be fully integrated into these new concepts, by using different formulas, on the one hand, by enlarging Brantano's level of trendsetting, and on the other hand by making the Brantano brand slightly more upmarket.

The registered office of the Guarantor was transferred from the Netherlands to Belgium and converted from a public limited liability company under the laws of the Netherlands into a public limited liability company under the laws of Belgium. Application was made for the admission to trading and listing of Guarantor's shares on Euronext Brussels, as a result of which the Guarantor's shares are now listed on Euronext Brussels and Euronext Amsterdam. The market of reference was changed from Euronext Amsterdam to Euronext Brussels.

The FNG Group acquired the Henkelman Group, active in the design and production of shoes. This acquisition allows FNG Group to quickly strengthen its strategically important buying platform for clothing with years of shoe-related knowhow.

Business areas

The FNG Group is a strong growing Benelux-fashion group with activities in Belgium, the Netherlands, Luxembourg, France, Spain and Germany. The FNG Group designs and distributes clothing and shoes for women, children and men through its own concept-stores at top locations in Belgium and the Netherlands and through a network of multi-brand stores on the domestic markets as well as in foreign countries.

The main geographies are the Netherlands (45.6% of FNG Group sales) and Belgium (52.1% of FNG Group sales). The FNG Group is also active on the business-to-business market in Spain, France and Germany. The flagships are Miss Etam (women outerwear in the Netherlands) and Brantano (footwear complemented with outerwear for the whole family in Belgium). They both are omni-channel retailers, operating stores as well as a web shop.

Business strategy

The strategy of the FNG Group focuses on:

- creating value by managing a complementary brand portfolio via buy-and-build,
- omni-channel sales driven by data and supported by Artificial Intelligence (AI),
- optimising corporate processes and achieving synergies, and
- a lean result-focused organisation with a unique corporate culture.

In a time when some traditional (mostly mono-brand) fashion retailers are struggling, due to increased international competition, pressure on the margins and strong growth of online sales, the FNG Group is striving to deliver value in line with its strategy.

Buy-and-Build: brand value and brand portfolio management

Every brand has a unique and strong identity tailored to its target consumer group. Value is created by investing wisely in strong brand building by marketing and retail concept development.

The brand portfolio of the FNG Group is much diversified in terms of style groups, sizes and price points. Some brands are primarily retail brands (Brantano, Miss Etam), while others are mostly product brands (Fred & Ginger, CKS, Espresso, Claudia Sträter).

The FNG Group optimises its brands and retail formulas to best serve the customer. Brands also cross-sell internally and can for instance be sold in another brand store (e.g. Miss Etam products are sold in Brantano's fashion department).

Brand portfolio management is key in the FNG Group's risk management. Fashion cannot be approached as pure science. Therefore, to minimise collection risk, the fashion brands release between ten and fifteen collections a year. Moreover, the complementary brand portfolio gives the FNG Group the advantage to manage its "store liabilities" (lease, social and other contractual liabilities). Running two, three or more different brand stores in one single city, gives the FNG Group the flexibility to change smoothly from one concept to another if necessary.

The pricing and style strategy ensure a solid market coverage

All brands have their own specific and well-defined position in the market: they are designed for a specific target group. Customers mainly consider two parameters in their purchase decisions: price and style. Based on their preferences, customers can be segmented and identified as a target group.

Omni-channel sales driven by data and supported by AI

The digital revolution is happening at a very strong pace. The FNG Group keeps up by investing in its digital platforms for sales and marketing as well as in a flexible and integrated organisation and supply chain. These investments help the brands to market and sell their products according to the consumer's behaviour and preference. Consumer behaviour data plays an increasingly crucial role in all aspects of the fashion value chain.

Knowing your customer is critical to being successful as a fashion retailer. The FNG Group puts a lot of energy and effort in knowing its customer and managing 'big data', which results in a better and more personal service to the customer. Examples include segmented marketing campaigns (up to one-on-one segmentation), individual web page merchandising, individual styling services, virtual stock that can be sold via different channels, individual delivery options for online sales, etc.

'Big data' is also used to optimise the collections. For example, information from the 3D scans of customers' feet is compared to scans of shoes and their sales results in order to better tailor the fit of the shoes to customers' feet.

In addition, Artificial Intelligence algorithms are increasingly used to perform specific predictive tasks based on a large amount of data. The more data, the more accurate and relevant certain AI algorithms become which helps increase conversion rates or reduce the serving cost. This means that retailers who have access to a lot of data from a large number of customers have a strong competitive advantage. The art of maximising relevance for any given customer, starts as early as in the design process, where all possible data insights are used to drive line and collection planning processes.

In order to anticipate specific consumer demands, which can potentially be predicted by algorithms, an efficient design cycle and supply chain are needed. The FNG Group applies a mixed approach where coordinated collections for a longer term are combined with short term and fast time collections in order to market items. These items are sourced through the FNG Group's own vertically integrated buying organisation. The main time mix leads to an optimum between fashion level, product quality, margins and coordinated collections.

Business process optimisation, synergies and know-how sharing

The three founders of the FNG Group have a Master in Engineering. Therefore, process optimisation has always been a key point during the development of the FNG Group.

The FNG Group focuses on business process optimisation, realising synergies and sharing of know-how.

It all starts with a determined focus on efficiency with regard to the back office: inventory accuracy, intelligent allocation of the products, and cost efficient logistics supported by excellent ICT are key. Moreover, the FNG Group's ICT platform is developed in such a way that it can support future acquired retail chains.

The FNG Group realises hard synergies by sharing services such as Finance, HR, Logistics and IT across brands. HQ (headquarter) and DC (the state-of-the-art Distribution Centre in Zoetermeer) resources are shared as well.

Moreover, the purchase of services and non-trading goods in the area of IT, HR, administration and "other costs" (utilities, licenses, rent, maintenance, etc...) are grouped and optimised. This leads to economies of scale, creating purchase benefits and hence lower costs.

More hard synergies are realised in purchasing and sales. The FNG Group has a buying platform with its own offices in Turkey, India and Hong Kong supporting the brands to source their products in an efficient way. The FNG Group's buying platform purchases goods directly from production sites. Higher combined volumes typically lead to a stronger negotiation position towards suppliers and to a substantial improvement of the gross margin.

Sales management for larger accounts is coordinated at group level and creates a unique position for these accounts, i.e. Wehkamp, Zalando, Bol.com, Inno, Bijenkorf, ... In retail sales, the focus on in-store productivity results in a maximum impact of the sales force at minimal cost. As store leases are under pressure in a lot of Benelux cities, the FNG Group focuses on negotiating the optimal leases, ensuring that each store will provide a healthy contribution to the FNG Group.

As far as corporate financing is concerned, the FNG Group centralises the group's financing, from classic bank financing, to bond issue and equity funding. The listing of the shares of the Guarantor provides opportunities to attract external capital to finance the growth of the FNG Group. In addition, acquisitions can be paid in full by shares, or new issues can be placed to finance acquisitions.

A lean result-focused organisation with a unique corporate culture

The FNG Group believes in inspiring the group's 3,000 employees. Corporate DNA includes key values such as respect, a “can do” mentality, no-nonsense management and out-of-the-box thinking.

The FNG Group is organised in business units. Each business unit focuses on the core value chain of one brand, including styling, buying, merchandising, sales and marketing.

Important soft synergies between brands can be identified, such as sharing know-how and best practices, human resource management and talent pooling. This approach results in a lean staff at the headquarters, servicing the stores in an efficient and well-organised manner.

The FNG Group values provide a strong driver to observe corporate social responsibility (CSR). The CSR idea can be found throughout the whole organisation and is supported by specific policies with regard to the people who are responsible for the manufacturing of goods, the products which will be introduced to the market, the ecological impact and the social and economic impact on society.

Summary of business units

Brantano

In 2016, Brantano became part of the FNG Group. Brantano has become a synonym for brand fashion and shoes and wants to become the number one choice for a wide audience. The idea is to cover the market with its three complementary retail formulas and a new online platform. Apart from the well-known, recently refurbished Brantano stores, two new retail concepts were launched in the course of 2018: high-end fashion boutiques under the name *boutik* by Brantano, with a focus on fashion brands from the middle and upper market segments, complemented by a selection of high-quality shoes, and large fashion and shoe stores under the name Brantano Market. In other words, the Brantano brand has expanded, in terms of range as well as price positioning. The expanded Brantano range was accompanied by a new state of the art online platform.

Miss Etam

FNG Group's highlight of 2016 was obtaining access to the Miss Etam brand and its stores. The Miss Etam Group is active in women's fashion on the Dutch market. Its business activities include the design and procurements of products, sales through both offline and online channels and all necessary supporting activities, such as leasing stores, distributing goods, and managing the entire process.

FNG Roots – FNG Brands & FNG's Buying Platform

FNG Roots creates and distributes fashion brands for women and children. FNG Roots started with kids collections but made a strategic decision in 2008 to focus more and more on women's collections. More than half of the market is for women, and margins are significantly better. Today more than 90% of the items distributed by the FNG Group in the market are for women.

FNG Roots' brands (Fred & Ginger, CKS, Claudia Sträter, Espresso, Steps) have a clear and recognizable identity and subscribe to the “value for money” concept. The conception of each collection lies in the hands of a top team of in-house stylists. They design clothing with an abundance of passion, know-how and creativity which perfectly fit within the strategic guidelines and the DNA of their brand.

The FNG Group has a buying platform with its own offices in Turkey, India and Hong Kong which supports the brands in efficiently sourcing their products. The FNG Group's buying platform purchases goods directly from the production sites. It produces over ten million clothing items per year. Higher combined volumes lead to a stronger negotiation position towards suppliers and to a substantial improvement of the gross margin. They also bring a considerable advantage in terms of local control and insight in how the suppliers work and the local labour conditions.

FNG Boutique

In 2017, the FNG Group acquired Suitcase and the Concept Fashion Group. Suitcase is an online platform for personal style advice and a wardrobe service for men. The Concept Fashion Group owns multi-brand stores in

out-of-town locations. Both acquisitions were important for their locations, personnel and suppliers base and fit in the strategy of becoming an online and offline multi-brand retailer for fashion and shoes in Belgium

Henkelman

In 2018, the FNG Group acquired the Henkelman Group. The Henkelman Group is active in the design and production of shoes. This acquisition allowed the FNG Group to quickly strengthen its strategically important buying platform for clothing with years of shoe-related knowhow.

Material trends, uncertainties, demands and commitments

Global fashion and footwear market

In a world where geopolitical turmoil, economic uncertainty, and unpredictability are the new reality, the fashion market is expected to continue its growth in 2019, albeit at a slightly slower pace than in 2018. The McKinsey Global Fashion Index projects the global fashion industry sales to grow by 3.5 to 4.5% in 2019, which is barely 0.5% less than in 2018.¹

But the growth is not evenly spread:

- First of all, growth prospects for 2019 are globally higher for emerging markets. The highest growth is expected in upcoming Asian markets (+6.5 to 7.5%); which is more than double of the growth projections for mature Asian countries (2 to 3% growth). In upcoming European markets too, the expected growth of 4.5 to 5.5% is much higher than the expected growth for mature markets (only 1.5 to 2.5%).²
- Secondly, the polarisation in the market will continue. The luxury and discount segments will grow by 3.5 to 5.5% respectively 4 to 6% in 2019 versus 1.5 to 2.5% of the mid-market segment.³
- Thirdly, it is believed that sportswear will continue to outpace overall market growth (6 to 7%), while growth expectations for shoes are much lower (2.5 to 3.5%).⁴
- Finally, the shift towards an online market continues to accelerate. It is expected that in 2022 e-commerce would represent 38% of global fashion revenue, compared to 27% in 2018 and only 14% in 2014.⁵ The clear winners are the leading pure players, either generalists like Amazon and Alibaba, or fashion specialists like Zalando, Asos, Net-a-Porter and Farfetch. With a market share of 8%, Amazon is well on the way to becoming the biggest fashion retailer in the United States.⁶ Also remarkable is the fast growth of market places, which allow e-commerce companies to operate without having to purchase and sell goods, and thus without stock risks, by authorising third parties to sell on their platform, in exchange for a commission. Consequently, in their search for growth, fashion brands have to collaborate with these leading online platforms.

FNG Group is also witnessing the following important market trends:

- The growth of e-commerce is slowing down. Consequently, leading European e-commerce players in the fashion world are, for the first time, confronted with lower sales results than expected. Asos⁷, as well as Zalando⁸, just like other fashion retailers, have explicitly made reference to the warm summer and autumn. This has never happened before, and might be an indication that e-commerce pure players can no longer escape the economic patterns of traditional fashion retailers. This also explains why they

¹ Source: McKinsey Global Fashion Index as cited in: Business of Fashion & McKinsey Company, The State of Fashion 2019, November 2018, p. 98;

² Source: McKinsey Global Fashion Index as cited in: Business of Fashion & McKinsey Company, The State of Fashion 2019, November 2018, p. 98;

³ Source: McKinsey Global Fashion Index as cited in: Business of Fashion & McKinsey Company, The State of Fashion 2019, November 2018, p. 98;

⁴ Source: McKinsey Global Fashion Index as cited in: Business of Fashion & McKinsey Company, The State of Fashion 2019, November 2018, p. 98;

⁵ Source: Forrester Analytics: Online Fashion Retail Forecast, 2017 To 2022 (Global), November 2018, as cited in:

<https://www.marketingcharts.com/industries/retail-and-e-commerce-106623> (accessed on 19 March 2019) (the information on such website does not form part of this Prospectus)

⁶ Source: Business of Fashion & McKinsey Company, The State of Fashion 2019, November 2018, p. 77;

⁷ Source: BBC, <https://www.bbc.com/news/business-46590130>, accessed on 20 March 2019 (the information on such website does not form part of this Prospectus)

⁸ Source: Reuters, <https://www.reuters.com/article/us-zalando-outlook/zalando-blames-it-on-the-sunshine-as-cuts-forecasts-again-idUSKCN1LY0HJ>, accessed on 20 March 2019 (the information on such website does not form part of this Prospectus)

are scaling back their efforts to develop own collections and brands⁹, and invest instead in the further growth of their market places: this allows them to decrease the stock risks.

- At the same time, the rapid growth of e-commerce goes hand in hand with the declining foot traffic in physical stores. Retailers respond by investing heavily in their omni-channel strategies. The winners see their online sales grow rapidly, while rightsizing their store network, reinventing the role of the store and seamlessly integrating the online and offline experience. Weaker players on the other hand, are unable to carry the necessary investments. Consequently, there is a market of winners and losers, in which the winners benefit from the losers' failure.
- Sustainability has become more and more important. From a mere focus on working conditions in manufacturing facilities, the market is evolving towards a more integral view. As such sustainability becomes part of the planning system that tries to adopt the principles of the circular economy. Moreover, there is a growing social tendency to buy less (new) clothes, especially low quality clothes. It is symbolic that the British Parliament published a report on this topic.¹⁰ Second-hand clothing is being presented as a sustainable alternative to fast fashion. Renting clothes by means of a subscription formula is also becoming increasingly popular.
- Big data, artificial intelligence and personalisation are key trends for the years ahead. The rapid proliferation of data has allowed businesses to personalise their marketing communication. Artificial intelligence is making its way into the fashion industry, allowing true one-to-one marketing, with automated customer interactions, resulting in cost savings and incremental sales. The ultimate goal is curated commerce, whereby a tailor-made selection of the full product range is presented to the consumer.

General corporate information

The Guarantor

The Guarantor's legal and commercial name is FNG NV registered with the register of legal entities (Antwerp, section Mechelen) under the Belgian Corporate ID No 0697.824.730. The registered office of the Guarantor is Boutersemstraat 68A, B-2800 Mechelen, Belgium. The Guarantor was incorporated in 1953 as a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands under the name "Diks en Coenen N.V.", legal predecessor of "Dico International N.V.". The Guarantor is the parent company of the FNG Group, which was founded in 2003. On 22 June 2018 the Guarantor was converted into a public limited liability company (*naamloze vennootschap*) exclusively governed by Belgian law. The Guarantor's website is www.fng.eu. The information on the Guarantor's website does not form part of this Prospectus unless such information is incorporated by reference into this Prospectus.

Legal structure

Direct subsidiaries

The Guarantor is the parent company of the FNG Group. The Guarantor has four direct subsidiaries:

- FNG Finance Belgium BVBA, which concerns a company offering auxiliary (non-operational) services to the FNG Group. The Issuer is a wholly-owned subsidiary of FNG Finance Belgium BVBA, hence an indirect subsidiary of the Guarantor;
- FNG Beheer NL BVBA, which acts as a management company for the Dutch entities of the FNG Group;
- FNG Beheer BE B.V., which acts as a management company for the Belgian entities of the FNG Group; and
- FNG International Holding NV, which may enter into financing agreements, assume debts and serve as a holding and financing vehicle for the companies in the FNG Group.

⁹ Source: RetailDetail, "Zalando zet zijn huismerken-poot stop," 15 March 2019, <https://www.retaildetail.be/nl/news/mode/zalando-zet-zijn-huismerken-poot-stop>, accessed on 22 March 2019 (the information on such website does not form part of this Prospectus)

¹⁰ House of Commons, Environmental Audit Committee, 'Fixing Fashion: clothing consumption & sustainability', 19 February 2019

Indirect subsidiaries

Intermediate holding companies

The FNG Group has three intermediate holding companies. These companies may enter into financing agreements, assume debts and serve as a holding and financing vehicle for the companies in the FNG Group.

- FNG Benelux Holding NV;
- FNG Group NV; and
- FNG Holding NV.

Subgroups

The group structure of the FNG Group, as illustrated below, is divided into six subgroups and one satellite entity.

- Miss Etam Group;
- FNG Roots Group;
- Brantano Group;
- Buying Platform Group;
- FNG Boutique Group; and
- Henkelman Group.

Satellite company

The FNG Group has one satellite company, FNG SH BVBA. The sole purpose of FNG SH BVBA is to act as second shareholder, holding one single share, of all Belgian (in)direct subsidiaries of FNG Holding NV.

The share and main shareholders

The Guarantor's shares are listed on Euronext Amsterdam since 20 January 2016 and on Euronext Brussel since 29 June 2018 with ISIN BE0974332646. The market of reference was changed from Euronext Amsterdam to Euronext Brussels.

The Guarantor has only one class of shares. The Guarantor's share capital amounts to EUR 60,679,208.36, represented by 11,200,663 shares, without par value. The denominator is 11,643,352.

The following table provides an overview of shareholders that have notified the FSMA (the Belgian Financial Services and Markets Authority) in accordance with the applicable transparency rules.

Name of shareholder	Numbers of shares and votes	Shares and votes (%)
Mr Dieter Penninckx, Ms Anja Maes, Mr Emmanuel Bracke directly and indirectly via Greenway District BVBA, GW2 BVBA, MANco GDM BVBA and 3NG NV	5,100,951 shares 5,118,256 votes	45.54% shares 43.96% votes

This overview is based on the amount of shares and votes as notified to the FSMA as at 17 May 2019, and could therefore not be accurate anymore.

THE BOARD, MANAGEMENT AND AUDITORS

The Issuer

The Board

The board of the Issuer consists of three (3) members elected by the general meeting of shareholders. The table below sets forth the name and current position of each board member.

Name	Position	Board member since
Emmanuel Bracke	Member, Chairman	2019
Dieter Penninckx	Member, Managing Director	2019
Anja Maes	Member	2019

Emmanuel Bracke

Born 1974. Chairman of the board and board member since 2019.

Emmanuel Bracke (Belgian nationality) obtained a Master of Science in Civil Engineering, with a major in Mechanical and Electro-Technical Engineering at KU Leuven. After his studies, he was active in the telecom sector and the IT sector for six years. During this period, he also obtained a Postgraduate in Business Management at the Antwerp Management School. In 2003, he founded FNG together with Anja Maes and Dieter Penninckx, changing sectors to the fashion world. In his position of Director of Operations of the FNG Group, he is in charge of production and distribution, IT and sales.

Dieter Penninckx

Born 1974. Managing director and board member since 2019.

Dieter Penninckx (Belgian nationality) obtained a Master of Science in Civil Engineering, with a major in Mechanical and Electro-Technical Engineering at KU Leuven. During his engineering studies, he was also chairperson of VTK, the engineering students' association. Dieter Penninckx' entrepreneurial drive manifested early, when he became co-founder of KULeuven spin-off companies in High Tech, until 2002. Deciding to further develop his business skills, he then obtained a second master degree in 2003, in Financial Economics this time (KULeuven). During the same year, he founded FNG, together with Anja Maes and Emmanuel Bracke. As CEO, he is responsible for the general management and administration of the FNG Group.

Anja Maes

Born 1975. Board member since 2019.

Anja Maes (Belgian nationality) obtained a Master of Science in Civil Engineering, with a major in Architecture at KU Leuven. After her studies, she completed an apprenticeship of two years and became a certified independent architect in 2002. In 2003, together with Dieter Penninckx and Emmanuel Bracke, she founded FNG, entering the world of fashion. As Art Director, Anja Maes is in charge of the creative side of the business, and oversees the collection development, design and marketing of the FNG Group.

Management

Dieter Penninckx is the CEO/managing director of the Issuer. Other than the CEO, the Issuer does not have a management function, as the sole purpose of the Issuer is to constitute a holding company for Ellos.

Auditor

Revideco AB (Kungstensgatan 38, 13 59 Stockholm) is the Issuer's auditor since 2019. Caisa Maria Westin the auditor in charge and is an authorised public accountant and member of FAR, the professional institute for accountants in Sweden.

Business address

The address for all board members and members of the management is Boutersemstraat 68 A, 2800 Mechelen, Belgium.

Conflicts of interest

Certain board members and members of the management have a financial interest in the Guarantor as a consequence of being shareholders in the Guarantor. The board of directors of the Issuer does not consider this to constitute a conflict of interest.

The Guarantor

Board

The supervisory board of the Guarantor consists of six (6) members elected by the general meeting of shareholders. The table below sets forth the name and current position of each member of the supervisory board.

Name	Position	Board member since
Eric Verbaere	Chairman and member of the supervisory board	5 June 2018
Gino Van Ossel	Member of the supervisory board	5 June 2018
Elke Kestens	Member of the supervisory board	20 November 2018
Philippe Vandeurzen	Member of the supervisory board	20 November 2018
Roald Borré	Member of the supervisory board	20 November 2018
Emiel Lathouwers	Member of the supervisory board	20 November 2018

Eric Verbaere

Mr Eric Verbaere (Belgian nationality) has a degree in economics (UG). For several years he was active in the corporate finance department of the University of Ghent (UG) and the Vlerick Management School in Ghent. After a stint at the National Investment Company and Leasinvest, he found his way to Investco, the investment company of the KBC Group, in the late '80. In 1993 he started his own independent consultancy firm, and in 1995 together with Guy De Clercq, he founded VD&P Corporate Finance. He is currently administrator of several companies in Belgium and abroad. Mr Eric Verbaere is the chair of the Board of Directors.

Gino Van Ossel

Mr Gino Van Ossel (Belgian nationality) is professor Retail & Trade Marketing at Vlerick Business School and is considered as an authority on retail management, purchasing behaviour and omni-channel.

In recent years, he has worked for AholdDelhaize, Akzo-Nobel, Bosch, Boulanger, Bpost, Brabantia, Carrefour, CBRE, Daikin, DPD, DS Smith Packaging, Euro Shoe Group, Eurocommerce, Galeria Kaufhof, Hoya, Ikea, ING, JBC, KBC, MediaMarkt, VF Corporation (a.o. Kipling, Timberland,...), Philips Avent, PostNL, Proximus, Q8, Steinhoff (a.o. Conforama), Shimano, Toyo-ta, Unilever and Visilab. Gino Van Ossel is non-executive director at FNG and Cryns Carrosserie Center. He is also on the board of the Dutch Trade Marketing Association and member of the advisory board of Sodexo Cards and Tribù, a global leader in high outdoor furniture.

He is a member of the jury of the European Omni-Channel Award at the Global E-Commerce Congress in Barcelona. He sits also in the jury of the Mercury award (Comeos), and is chairman the Belgian Omni-Channel award (RetailDetail).

In April 2014, he published the book “Omni-channel in retail” on how to deal with the digital retail revolution. It won both the “marketing book of the year” and “management book of the year” awards in the Netherlands.

Elke Kestens

Ms Elke Kestens (Belgian nationality) obtained a Master of Science in Mathematics and Statistics at the KU Leuven. She put her mathematical talents and insight into practice, first during her years as a researcher at the Centre for Statistics at the KUL (1997-2001), then as a statistical analyst at Proximus' Market Intelligence

Service (2002-2006), followed by a transfer into Proximus' Marketing Division for Private Clients where she was active as a marketing analyst and advisor. Ms Kestens then turned her attention to management, training and coaching, first by managing the Incentive and Fraud Team of Proximus' and Belgacom's Indirect Sales Channel (2008-2010), then by leading the training division of Belgacom's Sales Division, and the department "Commission" at Proximus' Sales Division, respectively from 2010-2012 and from 2013-2015. Combining her mathematical and leadership training skills, Ms Kestens founded Modifez in 2015, a company specialised in change management, creative coaching and sustain-able change.

Philippe Vandeurzen

Mr Philippe Vandeurzen (Belgian nationality) obtained a Master of Science in Materials Engineering (KUL) in 1993 followed by a PhD in Applied Sciences in 1998 (KUL). After working for three years in the petrochemical sector as a technical-commercial engineer at Petrofina NV and Total SA (1997-2000), he completed the Chartered Financial Analyst Program administered by CFA Institute in Charlottesville (USA), and followed the CEDEP Personal Development Pro-gram in Fontainebleau (France), while working as (senior) equity analyst for Fortis Bank NV. After his stint in the banking sector, he turned his attention to the investment world, in which he has been active ever since, working for De Eik NV and its affiliates in various functions. Having started out as investment manager at De Eik NV, Mr Vandeurzen then became managing director at Belreal NV, a company which is part of De Eik Group. In 2012, he became CFO of De Eik NV, and in 2014 he accepted the position of CEO of De Eik NV, which he has held since then. In 2016, Mr Vandeurzen took time to complete the INSEAD Advanced Management Program at Fontainebleau (France) to further develop his leadership skills.

Roald Borré

Mr Roald Borré (Belgian nationality) obtained a Master in Commercial and Financial Sciences, with a specialisation in Accountancy at the EHSAL Management School. He started his professional career in the investment world as a financial analyst at De Belegger NV and Mignon Hanaert Declerck. Three years later, he became Senior Fund Manager at Puilaeteco Dewaay Private Bankers (1999-2006). In the meantime, he co-founded a company active in e-commerce relating to sports and leisure (2004-2011). Mr Roald Borré is currently Head of Equity Investments for Participatie Maatschappij Vlaanderen (PMV). He holds various board mandates in a.o. Newtec (Innovation ICT), Biocartis (Diagnostica/life Sciences), High Wind NV, Capricorn Cleantech Fund and Kebony (Norway).

Emiel Lathouwers

Mr Emiel Lathouwers (Belgian nationality) is the founder of AS Adventures and reference shareholder of Le Pain Quotidien and Vendis Capital.

Management

The management board consist of a team of three (3) persons. The table below sets forth the name and current position of each member of the management board.

Name	Position	Member of management board since
Dieter Penninckx	CEO	5 June 2018
Anja Maes	Art Director	5 June 2018
Emmanuel Bracke	Operations Director	5 June 2018

The biographies of Mr Dieter Penninckx, Ms Anja Maes and Mr Emmanuel Bracke have been included in the description of the board of directors of the Issuer.

Auditor

Mazars Bedrijfsrevisoren BV CVBA, having its registered office at Avenue Marcel Thiry 77 box 4, 1200 Sint-Lambrechts-Woluwe and registered with the Crossroads Bank For Enterprises under number 0428.837.889 is the

Guarantor's auditor for the financial years 2017 and 2018. The mandate of the auditor will expire at the annual shareholders' meeting held in 2021 that will be asked to approve the annual accounts for the financial year ended on 31 December 2020. Mr Anton Nuttens is the permanent representative of the auditor. The auditor, permanently represented by Mr Anton Nuttens is a member of the Institute of Auditors (*Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren*), the professional institute for accountants in Belgium.

Business address

For the duration of their term of office, all board members and members of the management shall be deemed to have elected domicile at Boutersemstraat 68A, 2800 Mechelen, Belgium.

Conflicts of interest

Certain board members and members of the management have a financial interest in the Guarantor as a consequence of being shareholders in the Guarantor. This is not considered a conflict interest according to the Belgian Company Code.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Notes and the performance of its obligations relating thereto. The issuance of the Bonds on 25 July 2019 was authorised by a resolution of the board of the Issuer on 2 July 2019.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. The board of directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

Material agreements

On 4 July 2019, Nordic Capital Fund VII and the Guarantor announced that they have entered into a share purchase agreement regarding the shares in Ellos. The Guarantor is intending to acquire Ellos through the Issuer, which is an indirect wholly-owned subsidiary of the Guarantor. The acquisition will, *inter alia*, be financed by the Bonds issued by the Issuer in connection with the acquisition. The transaction is subject to customary regulatory approvals, including SFSA ownership assessment approval. Completion of the transaction is expected in September or October 2019.

Other than the agreement described above, the Issuer has not concluded any material agreements not entered into in the ordinary course of its business which could result an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders.

Legal and arbitration proceedings

The Issuer has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened which the Issuer is aware of) during the previous 12 months from the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

Information on taxation

Tax legislation in the investor's home member state and the member state of the Issuer may affect any income from the Bonds.

Certain material interests

ABG Sundal Collier ASA is Sole Bookrunner in conjunction with the issuance of the Bonds. The Sole Bookrunner (and closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Group for which they have received, or will receive, remuneration. Accordingly, conflicts of interest may exist or may arise as a result of the Sole Bookrunner having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

Trend information

There has been no material adverse change in the prospects of the Issuer since 17 September 2019, being the date of publication of the last audited financial information of the Issuer.

There has been no material adverse change in the prospects of the Guarantor since 1 July 2019, being the date of publication of the last audited financial information of the Guarantor.

Significant changes since 30 June 2019

There have been no significant changes in the financial position or performance of the Issuer since 31 August 2019. Other than the issue of Bonds there has been no significant change of the financing structure of the Issuer.

There have been no significant changes in the financial position or performance of the Guarantor since 30 June 2019.

Incorporation by reference and accounting principles

The following information has been incorporated into this Prospectus by reference and should be read as part of the Prospectus:

The Guarantor's Annual Report for 2017

(<https://www.fng.eu/wp/wp-content/uploads/2018/05/Jaarverslag-2017.pdf>)

as regards the audited financial information on:

- page 46 for balance sheet;
- page 47 for income statement;
- page 48 for cash flow statement;
- page 49 for changes in equity capital;
- pages 89-92 for notes;
- pages 94-99 for the audit report; and
- page 24 for the net financial debt only.

The Guarantor's Annual Report for 2018

(<https://www.fng.eu/wp/wp-content/uploads/2019/05/Jaarverslag-FNG-2018-ENG.pdf>)

as regards the audited financial information on:

- page 100 for balance sheet;
- page 101 for income statement;
- page 102 for cash flow statement;
- page 103 for changes in equity capital;
- pages 104-137 for notes; and
- page 31 for the net financial debt only.

The audit report available on <https://fng.eu/investor-relations-fng-nv/#subsidiaries>.

The Guarantor's unaudited financial information for the period January-June 2019

(<https://fng.eu/wp/wp-content/uploads/2019/09/Halfjaarbericht-FNG-2019-EN.pdf>)

as regards the unaudited financial information for the period from January to June 2019 on:

- page 1 for balance sheet;
- page 2 for income statement;
- page 3 for cash flow statement; and
- page 4 for changes in equity capital.

Information in the above documents which is not incorporated by reference is either deemed by the Issuer not to be relevant for investors in Bonds or is covered elsewhere in the Prospectus.

The Guarantor's annual reports for the financial years ended 31 December 2017 and 31 December 2018 have been prepared in accordance with the International Financial Reporting Standards, as prescribed by the European Union ("IFRS"). The Issuer's financial reports will be prepared in accordance with IFRS.

With the exception of pages in the annual reports for the financial years 2017 and 2018 (respectively) incorporated by reference and the financial report of the Issuer included under the heading "*Financial Report of the Issuer*" below, no information in this Prospectus has been audited or reviewed by the Issuer's or the Guarantor's respective auditors.

Documents on display

Copies of the following documents are or will be available at the Issuer's website (www.fng.eu):

- the Issuer's articles of association;
- the Issuer's certificate of registration;
- the Terms and Conditions;
- the guarantee agreement; and
- the Guarantor's annual reports (including auditor's report) for the financial years 2017 and 2018, and the unaudited financial information for the period January-June 2019.

FINANCIAL REPORT OF THE ISSUER

The Issuer was incorporated on 19 June 2018. At the date of this Prospectus, the Issuer has not conducted any business activities other than having entered into a share purchase agreement (see further under the heading “*Material agreements*” above) in connection with the issue of Bonds.

In the below financial report, certain financial information of the Issuer is presented which stem from the Issuer’s accounting and reporting systems for the period 12 October 2018 – 31 August 2019 (i.e. being the period from incorporation of the Issuer until 31 August 2019). The Issuer’s financial report have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 and is audited by the Issuer’s auditor pursuant to RevR 5.

FNG Nordic AB (publ)

Org. nr. 559175-1325

Finansiell rapport för perioden 2018-10-12--2019-08-31

FNG Nordic AB (publ)
559175-1325

RESULTATRÄKNING		2018-10-12
Belopp i TSEK		NOT --2019-08-31
Nettoomsättning		0
Bruttoresultat		0
Administrationskostnader		-20
Rörelseresultat		-20
<i>Finansiella poster</i>		
Finansiella intäkter		0
Finansiella kostnader	4	-11 298
Summa finansiella poster		-11 298
Resultat före skatt		-11 318
Skatt	5	0
Periodens resultat		-11 318

Rapport över totalresultatet har inte upprättats då det inte skett några transaktioner som ska ingå i övrigt totalresultat.

FNG Nordic AB (publ)
559175-1325

BALANSRÄKNING

Belopp i TSEK NOT 2019-08-31

TILLGÅNGAR**Omsättningstillgångar****Kortfristiga fordringar**

Fordran hos moderbolag	70 000
Övriga fordringar	14 805
Likvida medel	1 447 029
	<hr/> 1 531 834

Summa omsättningstillgångar 1 531 834

SUMMA TILLGÅNGAR 1 531 834

EGET KAPITAL OCH SKULDER**Eget kapital***Bundet eget kapital*

Aktiekapital	7	500
		<hr/> 500

Fritt eget kapital

Balanserat resultat	8	70 000
Periodens resultat		-11 318
		<hr/> 58 682

Summa eget kapital 59 182

Långfristiga skulder

Obligationslån	6	1 447 371
		<hr/> 1 447 371

Kortfristiga skulder

Skulder till moderbolag	50
Leverantörsskulder	20
Upplupna kostnader	25 211
	<hr/> 25 281

SUMMA SKULDER OCH EGET KAPITAL 1 531 834



FNG Nordic AB (publ)
559175-1325

KASSAFLÖDESANALYS	2018-10-12
Belopp i TSEK	--2019-08-31

Den löpande verksamheten

Rörelseresultat	-20
Räntekostnader	0

**Kassaflöde från den löpande verksamheten
före förändring i rörelsekapital**

-20

Kassaflöde från förändringar i rörelsekapital

Minskning(+)/ökning(-) av övriga fordringar	-14 805
Minskning(-)/ökning(+) av leverantörsskulder	20
Minskning(-)/ökning(+) av övriga kortfristiga skulder	14 855
Kassaflöde från den löpande verksamheten	50

Finansieringsverksamheten

Nyemission	500
Obligationslån	1 500 000
Transaktionsutgifter relaterade till obligationslån	-53 521
Kassaflöde från finansieringsverksamheten	1 446 979

Årets kassaflöde

1 447 029

Likvida medel vid årets början

0

Likvida medel vid årets slut

1 447 029

FNG Nordic AB (publ)
559175-1325

RAPPORT ÖVER FÖRÄNDRING I EGET KAPITAL

Belopp i TSEK

	Bundet eget kapital	Fritt eget kapital		Summa eget kapital
	Aktiekapital	Balanserad vinst eller förlust	Periodens resultat	
Ingående balans per 12 oktober 2018	-	-	-	-
Insättning av aktiekapital	500			500
Ovillkorat aktieägartillskott		70 000		70 000
Periodens resultat			-11 318	-11 318
Utgående balans per 31 augusti 2019	500	70 000	-11 318	59 182



FNG Nordic AB (publ)
559175-1325

Not 1 Allmän information

FNG Nordic AB (publ) med organisationsnummer 559175-1325 är ett aktiebolag registrerat i Sverige med säte i Stockholm. Adressen till bolaget är Norrlandsgatan 21, 111 43 Stockholm. Moderbolag i den största koncernen som FNG Nordic är dotterbolag till är FNG NV med säte i Belgien.

Not 2 Väsentliga redovisningsprinciper

Allmänna upplysningar

Bolaget tillämpar Årsredovisningslagen (1995:1554) och Rådet för finansiell rapporterings rekommendation RFR 2 Redovisning för juridiska personer. Det innebär att bolaget så långt som möjligt tillämpar samtliga av EU godkända standarder som är godkända av EU till den del de är inom ramen för Årsredovisningslagen och Tryggandelagen samt med hänsyn taget till sambandet mellan redovisning och beskattning.

Finansiella instrument

Bolaget redovisar finansiella instrument med utgångspunkt i anskaffningsvärdet enligt Årsredovisningslagen. Det innebär att finansiella anläggningstillgångar värderas till anskaffningsvärde minus eventuell nedskrivning och finansiella omsättningstillgångar värderas till lägsta värdets princip. Finansiella skulder värderas till upplupet anskaffningsvärde med tillämpning av effektivräntemetoden.

En finansiell tillgång eller finansiell skuld redovisas i balansräkningen när bolaget blir part till instrumentets avtalsenliga villkor. En finansiell tillgång eller en del av en finansiell tillgång bokas bort från balansräkningen när rättigheterna i avtalet realiserats, förfaller eller när bolaget förlorar kontrollen över den. En finansiell skuld bokas bort från balansräkningen när förpliktelsen i avtalet fullgörs eller på annat sätt utsläcks.

Effektivräntan är en ränta som vid en diskontering av samtliga framtida förväntade kassaflöden över den förväntade löptiden resulterar i det initialt redovisade värdet för den för den finansiella tillgången eller den finansiella skulden.

Upplupet anskaffningsvärde

Med upplupet anskaffningsvärde avses det belopp till vilket tillgången eller skulden initialt redovisades med avdrag för amorteringar, tillägg eller avdrag för ackumulerade periodisering enligt effektivräntemetoden av den initiala skillnaden mellan erhållet/utbetalt belopp att betala/erhålla på förfallodagen samt med avdrag för nedskrivningar.

Likvida medel

Likvida medel inkluderar kassamedel och banktillgodohavanden samt andra kortfristiga likvida placeringar som lätt kan omvandlas till kontanter samt är föremål för en obetydlig risk för värdeförändringar. För att klassificeras som likvida medel får löptiden inte överskrida 3 månader från förvärvet. Kassamedel och banktillgodohavanden kategoriseras som finansiella tillgångar värderade till upplupet anskaffningsvärde - Likvida medel.

Kassaflödesanalys

Kassaflödesanalysen visar företagets förändringar av likvida medel under räkenskapsåret. Kassaflödesanalysen har upprättats enligt den indirekta metoden. De redovisade kassaflödet omfattar endast transaktioner som medfört in- och utbetalningar.

Not 3 Risker

Finansiell riskhantering

Bolaget är genom sin verksamhet exponerad för ränterisk. Ränterisk är risken att värdet på finansiella instrument, räntebärande tillgångar och skulder samt intäkter och kostnader ändras på grund av förändringar i marknadsräntan.

Ränteexponering

Obligationslånet löper med rörlig ränta knuten till 3 månaders stibor.

Not 4 Finansiella poster

Finansiella kostnader avser räntekostnader 10 406 TSEK samt transaktionskostnader 892 TSEK relaterade till obligationslån.

Not 5 Skatt

Skattemässiga underskott har inte redovisats som uppskjuten skattefordran då det inte bedömts som troligt att framtida skattemässiga överskott kommer att finnas inom en närmaste tiden.

Not 6 Obligationslån

Obligationens verkliga värde uppgår till 1 500 000 000 SEK och har en löptid på 5 år. Amortering av fullständigt belopp skall göras på förfallodagen. Räntan på obligationen uppgår till 3m Stibor + 6.75 procent.

Not 7 Aktiekapital

Bolagets aktiekapital uppgår till 500 TSEK fördelat på 500 000 aktier. Samtliga aktier är av ett aktieslag, är fullt betalda och berättigar till en röst.

Not 8 Övrigt tillskjutit kapital

Bolaget har erhållit ett ovillkorat aktieägartillskott om 70 000 TSEK


Not 9 Händelser efter balansdagen

Inga väsentliga händelser har inträffat efter periodens utgång.




FNG Nordic AB (publ)
559175-1323

Stockholm den 17 september 2019


Emmanuel Bracke
Styrelsens ordförande
Anja Maes
Dieter Penninckx
Verkställande direktör

Vår revisionsrapport har avgivits den 17 september 2019

Revidco AB


Caisa Westin
Auktoriserad revisor

Revisors rapport avseende finansiella rapporter över historisk finansiell information

Till styrelsen i FNG Nordic AB (publ), org.nr 559175-1325.

Vi har utfört en revision av de finansiella rapporterna för FNG Nordic AB (publ), som omfattar balansräkningen per den 31 augusti 2019 och resultaträkningen för perioden 2018-10-12 – 2019-08-31, kassaflödesanalysen och redogörelsen för förändringar i eget kapital för denna period samt en beskrivning av väsentliga redovisningsprinciper och andra tilläggsupplysningar.

Styrelsens och verkställande direktörens ansvar för de finansiella rapporterna

Det är styrelsen och verkställande direktören som har ansvaret för att de finansiella rapporterna tas fram och presenteras på ett sådant sätt att de ger en rättvisande bild av finansiell ställning, resultat, förändringar i eget kapital och kassaflöde i enlighet med International Financial Reporting Standards så som de antagits av EU, och årsredovisningslagen och kompletterande tillämplig normgivning. Denna skyldighet innefattar utformning, införande och upprätthållande av intern kontroll som är relevant för att ta fram och på rättvisande sätt presentera de finansiella rapporterna utan väsentliga felaktigheter, oavsett om de beror på oegentligheter eller misstag. Styrelsen ansvarar även för att de finansiella rapporterna tas fram och presenteras enligt kraven i prospektförordningen 809/2004/EG.

Revisorns ansvar

Vårt ansvar är att uttala oss om de finansiella rapporterna på grundval av vår revision. Vi har utfört vår revision i enlighet med FARs rekommendation RevR 5 *Granskning av finansiell information i prospekt*. Det innebär att vi följer FARs etiska regler och har planerat och genomfört revisionen för att med rimlig säkerhet försäkra oss om att de finansiella rapporterna inte innehåller några väsentliga felaktigheter. Revisionsföretaget tillämpar ISQC 1 (International Standard on Quality Control) och har därmed ett allsidigt system för kvalitetskontroll vilket innefattar dokumenterade riktlinjer och rutiner avseende efterlevnad av yrkesetiska krav, standarder för yrkesutövningen och tillämpliga krav i lagar och andra författningar.

Vi är oberoende i förhållande till ABC-bolaget enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

En revision i enlighet med FARs rekommendation RevR 5 *Granskning av finansiell information i prospekt* innebär att utföra granskningsåtgärder för att få revisionsbevis som bestyrker belopp och upplysningar i de finansiella rapporterna. De valda granskningsåtgärderna baseras på vår bedömning av risk för väsentliga felaktigheter i de finansiella rapporterna oavsett om de beror på oegentligheter eller misstag. Vid riskbedömningen överväger vi den interna kontroll som är relevant för bolagets framtagande och rättvisande presentation av de finansiella rapporterna som en grund för att utforma de revisionsåtgärder som är tillämpliga under dessa omständigheter men inte för att göra ett uttalande om effektiviteten i bolagets interna kontroll. En revision innebär också att utvärdera tillämpligheten av använda redovisningsprinciper och rimligheten i de betydelsefulla uppskattningar som styrelsen och verkställande direktören gjort samt att utvärdera den samlade presentationen i de finansiella rapporterna.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som underlag för vårt uttalande.

Uttalande

Enligt vår uppfattning ger den finansiella rapporten en rättvisande bild i enlighet med RFR 2 Redovisning för juridiska personer och årsredovisningslagen och kompletterande tillämplig normgivning av FNG Nordic AB (publ) ställning per den 31 augusti 2019 och resultat för perioden 2018-10-12 – 2019-08-31, redogörelse för förändringar i eget kapital och kassaflöde för denna period.

Göteborg den 17 september 2019

Revideco AB



Caisa Westin
Auktoriserad revisor

TERMS AND CONDITIONS OF THE BONDS

**TERMS AND CONDITIONS FOR
FNG NORDIC AB (PUBL)
SEK 1,500,000,000
SENIOR SECURED CALLABLE FLOATING RATE BONDS
ISIN: SE0012827996**

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

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

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

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

“**Advance Purchase Agreement**” means:

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

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

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

Issuer to the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an Agent.

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

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

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

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

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

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

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

“**Call Option Amount**” means:

- (a) if the Call Option is exercised before the First Call Date, the sum of:
 - (i) 103.375 per cent. of the Nominal Amount; and
 - (ii) the remaining interest payments up to (and including) the First Call Date;
- (b) 103.375 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the First Call Date up to (but excluding) the date falling thirty-six (36) months after the Issue Date;
- (c) 102.700 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling thirty-six (36) months after the Issue Date up to (but excluding) the date falling 42 months after the Issue Date;
- (d) 102.025 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling forty-two (42) months after the Issue Date up to (but excluding) the date falling forty-eight (48) months after the Issue Date;
- (e) 101.350 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling forty-eight (48) months after the Issue Date up to (but excluding) the date falling fifty-four (54) months after the Issue Date;

- (f) subject to paragraph (g) below, 100.675 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling fifty-four (54) months after the Issue Date up to (but excluding) the Final Redemption Date; or
- (g) 100.00 per cent. of the Nominal Amount together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling fifty-four (54) months after the Issue Date up to (but excluding) the Final Redemption Date provided that such early redemption is financed in full or in part by way of the Issuer issuing Market Loan(s).

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

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

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

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

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

“Change of Control” means the occurrence of an event or series of events whereby the Parent ceases to own or control (directly or indirectly) one hundred (100.00) per cent. of the share and voting capital in the Issuer.

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

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

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

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

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

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

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

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

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

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

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

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

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

“Final Redemption Date” means 25 July 2024.

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

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

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

“Financial Indebtedness” means any indebtedness in respect of:

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

- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a) to (f).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Issue Date” means 25 July 2019.

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

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

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

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

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

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

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

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

“Material Group Company” means:

- (a) the Issuer; and
- (b) following the Closing Date:
 - (i) the Target; and
 - (ii) any other Group Company with earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA)

representing five (5.00) per cent. or more of Consolidated EBITDA, or which has assets representing five (5.00) per cent. or more of Total Assets, calculated on a consolidated basis according to the latest Financial Report(s).

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

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

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

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

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

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

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

“Obligor” means the Issuer or a Guarantor.

“Parent” means FNG NV, a public limited liability company incorporated in Belgium with reg. no. 0697.824.730.

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

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

“Permitted Financial Indebtedness” means any Financial Indebtedness:

- (a) incurred under the Finance Documents;

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

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

- (a) to another Group Company, provided that if such payment is made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis;

- (b) to the Parent to repay any principal amount or interest accrued in respect of any loan permitted under paragraph (l) of the definition of “Permitted Financial Indebtedness”; or
- (c) to the Parent to fund a payment of regulatory costs, audit fees, legal expenses, directors’ emoluments and any other management or administration expenses required to maintain the corporate existence of the Parent or any of its holding companies or to fund their operating costs or to pay their taxes or to fund fees and charges of consultants or advisers incurred in connection with the provision of services to them, in an aggregate amount not exceeding SEK 2,000,000 (or its equivalent in other currencies) in any financial year,

in each case provided that:

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

“**Permitted Security**” means any Security:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“STIBOR” means:

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

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

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

- (a) owns shares or ownership rights representing more than fifty (50.00) per cent. of the total number of votes held by the owners;

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

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

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

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

“Super Senior RCF” means:

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

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

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

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

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

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

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

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

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

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

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

“**Transaction Security Documents**” means:

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

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

1.2 Construction

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

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

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

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

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

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

1.3 Conflict of Terms

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

2. STATUS OF THE BONDS

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

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

- 3.1 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.

- 3.2 The aggregate nominal amount of the Bond Issue is SEK 1,500,000,000 (the “**Bond Issue**”), which will be represented by Bonds each of a nominal amount of SEK 1,000,000 or full multiples thereof (the “**Initial Nominal Amount**”).
- 3.3 The ISIN for the Bonds is SE0010921999.
- 3.4 All Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 3.5 The minimum permissible investment in connection with the Bond Issue is SEK 2,000,000.
- 3.6 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 3.7 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds each subsequent Bondholder confirms such agreement.

4. USE OF PROCEEDS

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

5. CONDITIONS PRECEDENT AND CONDITIONS SUBSEQUENT

5.1 Initial Conditions Precedent

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

- (a) copies of the constitutional documents of the Issuer;
- (b) a copy of a resolution of the board of directors of the Issuer:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;

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

5.2 **Conditions Precedent for Disbursement**

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

- (a) copies of the constitutional documents of the Parent;
- (b) a copy of a resolution of the board of directors of the Parent:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;
- (c) a duly executed copy of the Intercreditor Agreement;
- (d) a duly executed copy of the Parent Guarantee;
- (e) a duly executed copy of the Target Share Pledge Agreement;
- (f) a copy of a legal opinion issued by a reputable Belgian legal counsel addressed to the Agent and the Issuing Agent as regards capacity, authorisation, due execution by the Parent of the Parent Guarantee and the validity and enforceability of the Parent Guarantee;
- (g) a closing certificate issued by the Issuer confirming that all closing conditions for the Acquisition (except for the cash portion of the purchase price) have been satisfied or waived and that the Acquisition will be consummated immediately upon disbursement of the Net Proceeds from the Escrow Account;

- (h) a list of any existing Financial Indebtedness and/or existing Security not constituting Permitted Financial Indebtedness or Permitted Security, as applicable, incurred or granted by or over the Group (including the Subsidiaries of Target) and evidence in the form of release letter(s) and/or cancellation and prepayment letters (as applicable) that any such existing Financial Indebtedness and/or existing Security will be repaid or released, as applicable, promptly upon disbursement of the Net Proceeds from the Escrow Account; and
- (i) an agreed form Compliance Certificate.

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

5.3 **Conditions Subsequent**

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

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

5.4 **No responsibility for documentation**

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

6. TRANSACTION SECURITY AND GUARANTEES

6.1 Transaction Security

- (a) Subject to the Intercreditor Agreement and the Agreed Security Principles, as continuing security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants (and shall procure that any other Group Company (as applicable) grants) as first ranking security to the Secured Parties (as represented by the Agent) the Transaction Security on the terms set out in the Transaction Security Documents.
- (b) The Security Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Transaction Security Documents and the Intercreditor Agreement.
- (c) Subject to the Agreed Security Principles and the Intercreditor Agreement, the Issuer shall ensure that:
 - (i) first ranking Security is granted in favour of the Secured Parties over the shares of any Group Company (other than the shares of the Issuer over which no Security shall be granted) becoming a Guarantor pursuant to paragraph (c) of Clause 6.2 (Guarantees) at the same time such Group Company becomes a Guarantor;
 - (ii) first ranking Security is granted in favour of the Secured Parties over existing business mortgages in each Guarantor at the same time such Group Company becomes a Guarantor;
 - (iii) first ranking Security is granted in favour of the Secured Parties in respect of trade receivables of each Guarantor at the same time such Group Company becomes a Guarantor; and
 - (iv) first ranking Security is granted in favour of the Secured Parties over any Material Intra-Group Loan within sixty (60) Business Days of its incurrence.
- (d) The Issuer shall:
 - (i) ensure that the Transaction Security Documents and all documents relating thereto are duly executed in favour of the Agent and the Secured Parties (as represented by the Agent) and that such documents are legally valid, perfected, enforceable and in full force and effect according to their terms;
 - (ii) ensure that the relevant pledgors carry out any action to protect, perfect or give priority to the Transaction Security; and
 - (iii) execute and/or procure the execution of such further documentation as the Agent may reasonably require in order for the Bondholders and the Agent to at all times maintain the security position and guarantee position envisaged under the Finance Documents.
- (e) Subject to the terms of the Intercreditor Agreement, except if otherwise decided by the Bondholders according to the procedures set out in Clauses 18 (*Decisions by Bondholders*), 19 (*Bondholders' Meeting*) and 20 (*Written Procedure*), the Agent is,

without first having to obtain the Bondholders' consent, entitled to enter into binding agreements with the Group Companies or third parties if it is, in the Agent's sole discretion, necessary for the purpose of establishing, maintaining, altering, releasing or enforcing the Transaction Security or the Guarantees or for the purpose of settling the various Bondholders' relative rights to the Transaction Security or the Guarantees. The Agent is entitled to take all measures available to it according to the Transaction Security Documents and the Guarantees.

6.2 Guarantees

- (a) Subject to applicable laws, the Agreed Security Principles and the Intercreditor Agreement, each Guarantor shall unconditionally and irrevocably, jointly and severally, guarantee as principal obligor (Sw. *proprieborgen*) to the Secured Parties (as represented by the Security Agent) as for its own debts (Sw. *såsom för egen skuld*) the full and punctual payment by the Issuer of the Secured Obligations in accordance with the Guarantee Agreement.
- (b) The Security Agent shall hold the Guarantees on behalf of the Secured Parties in accordance with the Guarantee Agreement and the Intercreditor Agreement.
- (c) Subject to the Agreed Security Principles, the Issuer shall:
 - (i) within one hundred and twenty (120) Business Days from the Closing Date; and
 - (ii) within ninety (90) Business Days of delivery of each of its annual audited consolidated Financial Reports,
 ensure that:
 - (A) each Material Group Company is a Guarantor; and
 - (B) unless the aggregate of earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of the Guarantors represents at least eighty-five (85.00) per cent. of Consolidated EBITDA and the aggregate gross assets of the Guarantors represents at least eighty-five (85.00) per cent. of Total Assets (in each case calculated on an unconsolidated basis and excluding all intra-group items and investments in Subsidiaries of any Group Company), procure that further Group Companies become Guarantors so that such thresholds are attained,
 in each case as evidenced by such Financial Report and Compliance Certificate.

6.3 Enforcement of Transaction Security and Guarantees

- (a) Subject to the Intercreditor Agreement, if the Bonds are declared due and payable according to Clause 16 (*Termination of the Bonds*), or following the Final Redemption Date, the Agent is, without first having to obtain the Bondholders' consent, entitled to enforce the Transaction Security and the Guarantees in such

manner and under such conditions that the Agent finds acceptable (if in accordance with the Transaction Security Documents, the Guarantee Agreement and the Intercreditor Agreement).

- (b) Subject to the terms of the Intercreditor Agreement, if a Bondholders' Meeting has been convened, or a Written Procedure has been instigated, to decide on the termination of the Bonds and/or the enforcement of all or any of the Transaction Security or the Guarantees, the Agent is obligated to take actions in accordance with the Bondholders' decision regarding the Transaction Security or Guarantees. However, if the Bonds are not terminated due to that the cause for termination has ceased or due to any other circumstance mentioned in the Finance Documents, the Agent shall not enforce the Transaction Security or the Guarantees. Subject to the terms of the Intercreditor Agreement, if the Bondholders, without any prior initiative from the Agent or the Issuer, have made a decision regarding termination of the Bonds and enforcement of the Transaction Security or the Guarantees in accordance with the procedures set out in Clauses 18 (*Decisions by Bondholders*), 19 (*Bondholders' Meeting*) and 20 (*Written Procedure*), the Agent shall promptly declare the Bonds terminated and enforce the Transaction Security or the Guarantees (as applicable). The Agent is however not liable to take action if the Agent considers cause for termination and/or acceleration not to be at hand, unless the instructing Bondholders in writing commit to holding the Agent indemnified and, at the Agent's own discretion, grant sufficient security for the obligation.
- (c) Funds that the Agent receives (directly or indirectly) on behalf of Secured Parties in connection with the termination of the Bonds or the enforcement of any or all of the Transaction Security or the Guarantees constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest bearing account on behalf of the Secured Parties. The Agent shall promptly arrange for payments to be made to the Bondholders in such case. The Agent shall arrange for payments of such funds in accordance with Clause 17 (*Distribution of proceeds*) as soon as reasonably practicable. If the Agent deems it appropriate, it may, in accordance with this paragraph (c), instruct the CSD to arrange for payment to the Bondholders.
- (d) For the purpose of exercising the rights of the Bondholders and the Agent under the Finance Documents and for the purpose of distributing any funds originating from the enforcement of any Transaction Security or a Guarantee, the Issuer irrevocably authorises and empowers the Agent to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Bondholders in accordance with paragraph (c) above. To the extent permissible by law, the powers set out in this paragraph (d) are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney, which the Agent deems necessary for the purpose of carrying out its duties under paragraph (c) above (including as required by the CSD in order for the CSD to accept such payment instructions). Especially, the Issuer shall, upon the Agent's request,

provide the Agent with a written power of attorney empowering the Agent to change the bank account registered with the CSD to a bank account in the name of the Agent and to instruct the CSD to pay out funds originating from an enforcement in accordance with paragraph (c) above to the Bondholders through the CSD.

6.4 **Release of Transaction Security and Guarantees**

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

7. **THE BONDS AND TRANSFERABILITY**

- 7.1 Each Bondholder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 7.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 7.3 Upon a transfer of Bonds, any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the transferee.
- 7.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, e.g., its nationality, its residency, its registered address or its place(s) of business). Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 7.5 The Bonds have not been registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and the Issuer is under no obligation to arrange for registration of the Bonds under the Securities Act or under any other law or regulation.
- 7.6 The Bonds are not offered to and may not be subscribed by investors located in the United States except for “Qualified Institutional Buyers” (“**QIB**”) within the meaning of Rule 144A under the Securities Act. In the application form relating to the Bonds, each person applying for the Bonds must confirm whether it is a U.S. person as defined in Rule 902 of Regulation S under the Securities Act, and if it is a U.S. person it must confirm, *inter alia*, that it is a QIB.

7.7 Bondholders located in the United States are not permitted to transfer Bonds except (a) subject to an effective registration statement under the Securities Act, (b) to a person that the Bondholder reasonably believes is a QIB within the meaning of Rule 144A that is purchasing for its own account, or the account of another QIB, to whom notice is given that the resale, pledge or other transfer may be made in reliance on Rule 144A, (c) outside the United States in accordance with Regulation S under the Securities Act, (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and (e) pursuant to any other available exemption from registration under the Securities Act, subject to the receipt by the Issuer of an opinion of counsel or such other evidence that the Issuer may reasonably require confirming that such sale or transfer is in compliance with the Securities Act.

7.8 For the avoidance of doubt and notwithstanding the above, a Bondholder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Bondholder hereunder in each case until such allegations have been resolved.

8. BONDS IN BOOK-ENTRY FORM

8.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.

8.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act .

8.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

8.4 For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.

8.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain

information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

- 8.6 At the request of the Agent, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.

9. RIGHT TO ACT ON BEHALF OF A HOLDER

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

10. PAYMENTS IN RESPECT OF THE BONDS

- 10.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 10.2 If a Bondholder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account; such deposits will be effectuated by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.

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

11. INTEREST

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

12. REDEMPTION AND REPURCHASE OF THE BONDS

12.1 Redemption at maturity

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

12.2 The Group's purchase of Bonds

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

12.3 Voluntary partial redemption

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

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

- (a) the Call Option Amount for the relevant period; and
 - (b) one hundred and two (102.00) per cent. of the Nominal Amount,
- in each case together with accrued but unpaid Interest.

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

12.4 Early voluntary redemption by the Issuer (call option)

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

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

12.5 Early redemption due to illegality (call option)

12.5.1 The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a

Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

12.5.2 The applicability of Clause 12.5.1 shall be supported by a legal opinion issued by a reputable law firm.

12.5.3 The Issuer may give notice of redemption pursuant to Clause 12.5.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer is bound to redeem the Bonds in full at the applicable amount on the specified Redemption Date.

12.6 Mandatory repurchase due to a Change of Control, Delisting or a Listing Failure (put option)

12.6.1 Upon a Change of Control, Delisting or a Listing Failure occurring, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of thirty (30) calendar days following a notice from the Issuer of the relevant event pursuant to paragraph (b) of Clause 13.3 (*Information undertakings*). The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control or the Listing Failure (as applicable).

12.6.2 The notice from the Issuer pursuant to paragraph (b) of Clause 13.3 (*Information undertakings*) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph (b) of Clause 13.3 (*Information undertakings*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 12.6.1.

12.6.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 12.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 12.5 by virtue of the conflict.

12.6.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 12.6, if a third party in connection with the occurrence of a Change of Control, Delisting or a Listing Failure offers to purchase all Bonds in the manner and on the terms set out in this Clause 12.6 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If Bonds tendered are not purchased within the time limits stipulated in this Clause 12.6, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.

12.6.5 No repurchase of Bonds pursuant to this Clause 12.6 shall be required if the Issuer has given notice of a redemption pursuant to Clause 12.4 (*Early voluntary redemption by the Issuer (call option)*) provided that such redemption is duly exercised.

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

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

12.7.1 If:

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

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

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

13. **INFORMATION UNDERTAKINGS**

13.1 **Financial Reports**

The Issuer shall:

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

Act (Sw. *lag* (2007:528) *om värdepappersmarknaden*) (if applicable and as amended from time to time).

13.2 **Compliance Certificate**

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

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

13.2.2 In each Compliance Certificate, the Issuer shall:

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

13.3 **Information: Miscellaneous**

The Issuer shall:

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

- (c) notify the Agent of any transaction referred to in Clause 15.12 (*Disposals of assets*) and shall, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

14. FINANCIAL COVENANTS

14.1 Maintenance Test

- 14.1.1 The Maintenance Test shall be tested on each Quarter Date for as long as any Bond is outstanding. The first test date for the Maintenance Test shall be the first Quarter Date falling after the Closing Date.
- 14.1.2 The Maintenance Test is met if Cash exceeds ten (10.00) per cent. of the aggregate Nominal Amount of the Bonds.
- 14.1.3 The Maintenance Test shall be calculated on basis of the interim consolidated Financial Report for the period ending on the relevant Quarter Date and on the basis of the Compliance Certificate delivered in connection therewith.

14.2 Incurrence Test

- 14.2.1 The Incurrence Test shall be tested in connection with the incurrence of a Capex Facility.
- 14.2.2 The Incurrence Test is met if:
 - (a) the Leverage Ratio (in each case calculated in accordance with this Clause 14.2) is less than:
 - (i) from (and including) the Issue Date to (and including) the date falling two (2) years thereafter, 4.00:1; and
 - (ii) from (and excluding) the date falling two (2) years after the Issue Date to (and including) the date falling three (3) years after the Issue Date, 3.00:1; and
 - (iii) thereafter, 2.50:1; and
 - (b) no Event of Default is continuing or would occur upon the incurrence (taking the Capex Facility into account on a *pro forma* basis).
- 14.2.3 The figures for Consolidated EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Incurrence Test (as applicable), but adjusted so that (without double counting):
 - (a) the consolidated earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of any entities acquired by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included, *pro forma*, for the entire Reference Period;
 - (b) the consolidated earnings before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of any entities disposed of

by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be excluded, *pro forma*, for the entire Reference Period;

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

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

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

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

15. GENERAL UNDERTAKINGS

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

15.1 Distributions

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:

- (i) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
 - (ii) pay any management, advisory or other fee to or to the order of any direct or indirect shareholder of the Issuer or the Affiliates of such direct and indirect shareholders;
 - (iii) redeem, repurchase, defease, retire or repay any of its share capital, or resolve to do so;
 - (iv) grant any loans to any direct or indirect shareholder of the Issuer or the Affiliates of such direct and indirect shareholders; or
 - (v) make any other similar distributions or transfers of value (Sw. värdeöverföringar) to the Issuer's or its Subsidiaries' direct and indirect shareholders or the Affiliates of such direct and indirect shareholders.
- (b) Paragraph (a) does not apply to a Permitted Payment.

15.2 Admission to trading

The Issuer shall ensure that:

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

15.3 Nature of business

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

15.4 Financial Indebtedness

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

15.5 Clean down period

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

15.6 Loans out

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

- (a) to other Group Companies; or
- (b) in the ordinary course of trade of the relevant Group Company.

15.7 Negative Pledge

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

15.8 Maintenance Test

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

15.9 Guarantors

The Issuer shall procure that:

- (a) on or prior to the date falling one hundred and twenty (120) calendar days after the Closing Date, the Agent is provided with a Compliance Certificate setting out each Material Group Company and any other Group Company that is otherwise required to accede to the Guarantee Agreement pursuant to Clause 6.2 (*Guarantors*), and that each such Material Group Company and other Group Company (as applicable) accedes to the Guarantee Agreement as a Guarantor and to the Intercreditor Agreement as an ICA Group Company, that Transaction Security is granted over the shares in each such Group Company and its assets in accordance with Clause 6.1 (*Transaction Security*) and that conditions precedent and legal opinions are delivered in accordance with the Guarantee Agreement; and
- (b) each Group Company that is specified as a Material Group Company in a Compliance Certificate relating to the annual consolidated Financial Report of the Group, or each other Group Company that is otherwise required to accede to the Guarantee Agreement pursuant to Clause 6.2 (*Guarantors*), accedes to the Guarantee

Agreement as a Guarantor and to the Intercreditor Agreement as an ICA Group Company, that Transaction Security is granted over the shares in such Group Company and its assets in accordance with Clause 6.1 (*Transaction Security*) and that conditions precedent and legal opinions are delivered in accordance with the Guarantee Agreement, as soon as practically possible, but in any event no later than ninety (90) Business Days from the date such Compliance Certificate was (or were supposed to be) delivered.

15.10 **Conditions Subsequent**

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

15.11 **Disposal of assets**

- (a) The Issuer shall not, and shall procure that none of the Subsidiaries will sell, transfer or otherwise dispose of 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 Material Group Companies unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect, provided however that a merger or demerger with the effect that the Issuer is not the surviving entity shall not be permitted.
- (b) The Issuer shall, upon request by the Agent, provide the Agent with any information relating to the transaction, which the Agent deems necessary (acting reasonably).

15.12 **Dealings with related parties**

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

15.13 **Compliance with laws**

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

15.14 **Authorisations**

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

15.15 **Agent Agreement**

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

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

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

15.16 **CSD related undertakings**

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

16. **TERMINATION OF THE BONDS**

Each of the events or circumstances set out in this Clause 16 is an Event of Default (save for Clause 16.10 (*Termination*)).

16.1 **Non-payment**

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

16.2 **Other obligations**

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

16.3 **Cross-acceleration**

- (a) Any Financial Indebtedness of a Material Group Company is not paid when due as extended by any originally applicable grace period.

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

16.4 **Insolvency**

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

16.5 **Insolvency proceedings**

- (a) Any corporate action, legal proceedings or other procedures are taken in relation to:
 - (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;

- (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
 - (iii) any security interest securing Financial Indebtedness over any asset of any Material Group Company is enforced,

or any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company.
- (b) Paragraph (a) shall not apply to:
 - (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) days of commencement or, if earlier, the date on which it is advertised; or
 - (ii) a solvent liquidation of any Group Company which is not an Obligor.
- (c) No Event of Default will occur under this Clause 16.5 if the assets of the relevant Material Group Company, individually or in the aggregate, have a value of less than the lower of (i) SEK 50,000,000 (or its equivalent in any other currency or currencies) and (ii) the monetary threshold set out in any provision of the Super Senior RCF corresponding to this Clause 16.5 (which, for the avoidance of doubt, shall be construed as zero (0) if the corresponding provision of the Super Senior RCF does not contain a monetary threshold) calculated in accordance with the latest Financial Report (as applicable).

16.6 Mergers and demergers

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

16.7 Creditors' process

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

16.8 Impossibility or illegality

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

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

16.9 Cessation of business

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

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

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

16.10 Termination

- 16.10.1 Subject to the terms of the Intercreditor Agreement, if an Event of Default has occurred and is continuing the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Bondholder on the second Business Day following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction or decision pursuant to Clause 16.10.6 or 16.10.7, on behalf of the Bondholders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration).
- 16.10.2 The Agent may not terminate the Bonds in accordance with Clause 16.10.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under Clause 16.10.1.
- 16.10.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 16.10.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 16.10.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in

Clause 16.10.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 16.10.1 and provide the Agent with all documents that may be of significance for the application of this Clause 16.

- 16.10.5 The Issuer is only obliged to inform the Agent according to Clause 16.10.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with the relevant Regulated Market. If such a conflict would exist pursuant to the listing contract with the relevant Regulated Market or otherwise, the Issuer shall however be obliged to either seek the approval from the relevant Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 16.10.4.
- 16.10.6 If the Agent has been notified by the Issuer or has otherwise received actual knowledge that there is a default under the Finance Documents according to Clause 16.10.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or actual knowledge, the Bondholders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or actual knowledge, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Bondholders that there exists a right of termination and obtain instructions from the Bondholders according to the provisions in Clause 18 (*Decisions by Bondholders*). If the Bondholders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Bondholders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 16.10.7 If the Bondholders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 18 (*Decisions by Bondholders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Bondholders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 16.10.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 16, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 16.10.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 16 without relevant decision by the Agent or following instructions from the Bondholders' pursuant to Clause 18 (*Decisions by Bondholders*).
- 16.10.10 If the Bonds are declared due and payable in accordance with this Clause 16, the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Amount for the relevant period (plus accrued but unpaid Interest).

17. DISTRIBUTION OF PROCEEDS

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

18. DECISIONS BY BONDHOLDERS

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

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

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

- 18.9 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 19.1) or initiate a second Written Procedure (in accordance with Clause 20.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 18.8 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 18.10 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 18.11 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 18.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under the Finance Documents, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 18.13 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- 18.14 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 18.15 If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 18.16 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or

Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

19. BONDHOLDERS' MEETING

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

19.2 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 19.1 with a copy to the Agent. After a request from the Bondholders pursuant to Clause 22.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 19.1.

19.3 The notice pursuant to Clause 19.1 shall include:

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

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

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

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

19.6 At a Bondholders' Meeting, the Issuer, the Bondholders (or the Bondholders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Bondholders' Meeting. The

Bondholders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Bondholders' Meeting instead of the Bondholder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Bondholder.

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

20. WRITTEN PROCEDURE

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

21. AMENDMENTS AND WAIVERS

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

22. APPOINTMENT AND REPLACEMENT OF THE AGENT

22.1 Appointment of Agent

22.1.1 By subscribing for Bonds, each initial Bondholder:

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

- (b) confirms the appointment under the Intercreditor Agreement of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Transaction Security Documents, the Guarantees and the Guarantee Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security or a Guarantee and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Intercreditor Agreement.
- 22.1.2 By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 22.1.1.
- 22.1.3 Each Bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- 22.1.4 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 22.1.5 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as agent and security agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 22.1.6 The Agent may act as agent and/or security agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.
- 22.2 **Duties of the Agent**
 - 22.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security and the Guarantees pursuant to the Transaction Security Documents and the Guarantee Agreement on behalf of the Secured Parties and, where relevant, enforcing the Transaction Security or a Guarantee on behalf of the Bondholders. However, the Agent is not responsible for the contents, execution, legal validity or enforceability of the Finance Documents. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.
 - 22.2.2 The Agent is not obliged to actively assess or monitor (i) the financial condition of the Issuer or any Group Company, (ii) the compliance by the Issuer of the Finance Documents (unless expressly set out in the Finance Documents) or (iii) whether an Event of Default (or any event that may lead to an Event of Default) has occurred or not. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.

- 22.2.3 The Agent may assume that any information, documentation and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such information, documentation or evidence. The Agent does not review any information, documents and evidence from a legal or commercial perspective of the Bondholders.
- 22.2.4 The Agent shall upon request by a Bondholder disclose the identity of any other Bondholder who has consented to the Agent in doing so.
- 22.2.5 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- 22.2.6 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 22.2.7 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- 22.2.8 The Agent shall be entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 22.2.9 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged (a) after the occurrence of an Event of Default, (b) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (c) when the Agent is to make a determination under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 17 (*Distribution of proceeds*).
- 22.2.10 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 22.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 22.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from

acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

22.2.13 The Agent shall give a notice to the Bondholders (a) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents, or (b) if it refrains from acting for any reason described in Clause 22.2.12.

22.2.14 The Agent's duties under the Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with the Terms and Conditions and upon instructions from the Bondholders, unless otherwise set out in the Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person.

22.3 **Limited liability for the Agent**

22.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.

22.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.

22.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

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

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

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

22.4 **Replacement of the Agent**

22.4.1 Subject to Clause 22.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a

Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

- 22.4.2 Subject to Clause 22.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 22.4.3 A Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 22.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) calendar days after (a) the earlier of the notice of resignation was given or the resignation otherwise took place or (b) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 22.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 22.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 22.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 22.4.8 In the event that there is a change of the Agent in accordance with this Clause 22.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

23. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

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

24. APPOINTMENT AND REPLACEMENT OF THE CSD

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

25. NO DIRECT ACTIONS BY HOLDERS

- 25.1 A Bondholder may not take any steps whatsoever against the Issuer or a Subsidiary (including a Guarantor) or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Issuer or another Group Company in relation to any of the liabilities of the Issuer or a Subsidiary (including a Guarantor) under the Finance Documents. Such steps may only be taken by the Agent.
- 25.2 Clause 25.1 shall not apply if:
- (a) the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 22.1.2), such actions within a reasonable period of time and such failure or inability is continuing; or

- (b) the Security Agent has been instructed by the Instructing Group (as defined in the Intercreditor Agreement) in accordance with the Intercreditor Agreement to enforce the Transaction Security but is legally unable to take such enforcement actions,

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

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

26. TIME-BAR

- 26.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised interest) shall be time-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been time-barred and has become void.
- 26.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new time-bar period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to the right to receive payment of Interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

27. NOTICES AND PRESS RELEASES

27.1 Notices

- 27.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:
 - (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;
 - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch with a copy to FNG NV, Att.: Mr Dieter Penninckx, Boutersemstraat 68A, 2800 Mechelen,

Belgium or, if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time;

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

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

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

27.2 **Press releases**

27.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 12.3, 12.5, 13.3(b), 16.10.6, 17.2, 18.16, 19.1, 20.1, 21.3, 22.2.13 and 22.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

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

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

28.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The

reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

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

29. GOVERNING LAW AND JURISDICTION

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

SCHEDULE 1
AGREED SECURITY PRINCIPLES

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

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

17. *Business mortgages.* Subject to the Agreed Security Principles, security in respect of business mortgages may be granted by the Guarantors, provided that only security over existing business mortgage certificates shall be granted if the provision of new business mortgages are contrary to item 8 above.
18. *Security over receivables.* Subject to the Agreed Security Principles, security in respect of receivables (other than Swedish receivables) may be assigned or charged, unless notice to the debtors are required by local law to perfect the Security or such security is otherwise encompassed by any business mortgage.
19. *Material Intra-Group Loans.* The Issuer and the Guarantors shall not be under an obligation to grant Transaction Security over any claims pursuant to any cash pool arrangement or over any intra-group loans other than the Material Intra-Group Loans.
20. Notwithstanding anything to the contrary in the Finance Documents, if the Security Agent is not satisfied that it does not need to be resident, incorporated (including by way of a branch office), registered or authorised in any jurisdiction or deposit any funds in any jurisdiction where the Security Agent, at the time the relevant Transaction Security shall be granted, is not resident, incorporated (including by way of a branch office), registered or authorised in, the Security Agent shall have a right to (without consent from any Secured Party) waive the requirement in any Senior Finance Document to grant that Transaction Security. Satisfaction in this respect should either be through the inclusion of such statement in a legal opinion or by any other legal statement from a well reputable law firm which in form and substance is acceptable to the Security Agent (acting reasonably).

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

DEFINITIONS

“**FNG Group**” means the Guarantor with all its subsidiaries from time to time (each a “**FNG Group Company**”).

“**Issuer**” means FNG Nordic AB (publ), Swedish Corporate ID No. 559175-1325.

“**Group**” means the Issuer with all its subsidiaries from time to time (each a “**Group Company**”).

“**Guarantor**” means FNG NV, Belgian Corporate ID No. 0697.824.730.

“**Ellos**” means Ellos Group Holding AB (publ), Swedish Corporate ID No. 556857-8511, with all its subsidiaries from time to time (each an “**Ellos Group Company**”).

“**SFSA**” means the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).

Words and expressions defined in the Terms and Conditions beginning on page 55 have the same meanings when used in this Prospectus, unless expressly stated otherwise follow from the context.

ADDRESSES

The Issuer

FNG Nordic AB (publ)

Postal address

c/o Mannheimer Swartling Advokatbyrå
P.O. Box 1711
SE-111 87 Stockholm, Sweden

Visiting address

Bautersemstraat 68A
2800 Mechelen, Belgium
Tel +32 (0)15 293 444
www.fng.eu

Legal Adviser to the Issuer

Mannheimer Swartling Advokatbyrå

P.O. Box 1711
SE-111 87 Stockholm, Sweden
Tel +46 (0)8 595 060 00
www.mannheimerswartling.se

Agent

Nordic Trustee & Agency AB (publ)

Norrandsgatan 23
SE-111 43 Stockholm, Sweden
Tel +46 (0)8 783 79 00
www.nordictrustee.com

Issuing Agent and Sole Bookrunner

ABG Sundal Collier ASA

Munkedamsveien 45
N-0205 Oslo, Norway
Tel +47 22 01 60 00
www.abgsc.com

Legal Adviser to the Sole Bookrunner

Gernandt & Danielsson Advokatbyrå

P.O. Box 5747
SE-114 87 Stockholm, Sweden
Tel +46 (0)8 670 66 00
www.gda.se

CSD

Euroclear Sweden AB

Klarabergsviadukten 63
SE-101 23 Stockholm, Sweden
Tel +46 (0)8 402 90 00
www.euroclear.com/sweden

FNG

www.fng.eu