

Stockholm, 27 May 2022

NOTICE OF WRITTEN PROCEDURE

ISIN: SE0012729010

**Legres AB (publ) (the “Issuer”)
SEK 440,000,000 Senior Secured Callable Floating Rate Bonds (the “Bonds”)**

At the request of the Issuer, the Agent hereby initiates a written procedure (“Written Procedure”) in accordance with the terms and conditions of the Bonds (the “Terms and Conditions”). Bondholders (as defined in the Terms and Conditions) are urged to carefully review and consider the details of this notice of Written Procedure (the “Notice”) in its entirety.

If you are an authorised nominee (Sw. *förvaltare*) holding Bonds on behalf of someone else, please forward this Notice to the Bondholder you represent at your earliest convenience.

Terms defined in the Terms and Conditions shall have the same meaning in this Notice, unless otherwise defined herein.

Key information:

Record Date for being eligible to vote:	2 June 2022
Deadline for voting:	15:00 CET 23 June 2022
Quorum requirement:	At least fifty (50) per cent. of the Adjusted Nominal Amount, for the Request (as defined below).
Majority requirement:	At least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for the Request.

Important information

Each Bondholder is solely responsible for making its own independent evaluation of all matters as such Bondholder deems appropriate (including those relating to the Request (as defined herein) and the Issuer), and each Bondholder must make its own decision as to whether to participate in the Request. Bondholders should consult their own tax, accounting, financial and legal adviser regarding the impact to themselves of voting in favour for or against the Request. Neither the Issuer nor any director, officer, employee, agent or affiliate of the Issuer, is acting for any Bondholder or will be responsible for providing any protections which would be afforded to its clients to any such Bondholder or for providing advice in relation to the Request. None of the Issuer or the Agent, nor any director, officer, employee, agent or affiliate of any such person, makes any recommendation as to whether such Bondholders should vote in favour for or against the Request.

Bondholders are responsible for complying with all of the procedures for submitting a Voting Form. Neither the Issuer nor the Agent assumes any responsibility for informing any Bondholder of irregularities with respect to such Bondholder's participation in the Written Procedure (including any errors or other irregularities, manifest or otherwise, in any Voting Form).

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

1. Background and request

1.1 Background

Recent events

In January 2021 the Issuer completed a written procedure to amend the existing Terms and Conditions after revenue losses due to the Covid-19 outbreak, changes in Norwegian regulations and the loss of a large contract. Since then, the Issuer has experienced considerable progress both financially and operationally during the last year and has during the period returned to growth while margins at the same time have expanded leading to a noteworthy deleveraging. In relation to this, significant development has been made towards establishing a going concern with a potential refinancing of the outstanding Bonds being contemplated.

Due to the current weak market sentiment as a result of geopolitical turmoil, high inflation and increased interest rates, and after discussions with certain existing Bondholders, the Issuer deems that it may not be possible to complete a refinancing of the outstanding Bonds during the time left until maturity in July 2022. In addition to some investors preferring to prolong the maturity of the Issuer's existing Bonds, investors have also expressed their preference of waiting for the completion of the ongoing negotiations

regarding the renewal of two material contracts with an existing customer as communicated in a press release published by the Issuer on 10 May 2022.

For further information, please refer to the investor presentation attached hereto as Schedule 5 (*Investor presentation*).

Exchange Offer

In connection with this Written Procedure, the Issuer has announced an exchange offer pursuant to which Bondholders are offered to exchange Bonds against new subordinated bonds to be issued by the Issuer in a minimum nominal amount of SEK 40,000,000 and a maximum nominal amount of up to SEK 60,000,000 (the “**Subordinated Bonds**”) subject to the terms and conditions set out in the press release for the exchange offer (the “**Exchange Offer**”).

The Subordinated Bonds will carry a fixed rate PIK interest at 9 per cent. per annum and have a tenor of 1.5 year. The Subordinated Bonds will be fully subordinated to the Bonds, meaning that the Issuer may not repay or repurchase any Subordinated Bond until the Bonds have been repaid in full. The proposed terms and conditions for the Subordinated Bond are attached hereto as Schedule 4 (*Terms and conditions for the Subordinated Bonds*) and may be amended to the extent required to affiliate the Subordinated Bonds with Euroclear Sweden.

Ewa Glennow, being the sole and indirect owner of the Issuer, and her wholly owned company Investrum Scandinavia Aktiebolag, (reg. no. 556680-4802) have undertaken to subscribe for Subordinated Bonds in an aggregate nominal amount of SEK 40,000,000, by way of tendering Bonds in an aggregate nominal amount of SEK 39,000,000 together with a top up payment of SEK 1,000,000 in cash to match the nominal amount of the Subordinated Bonds.

The completion of the Exchange Offer is subject to, *inter alia*, that the Request set out in this Written Procedure is approved by the Bondholders. If the Exchange Offer is completed, the Issuer intends to cancel all tendered Bonds (in a total amount of up to SEK 60,000,000) in order to reduce the total outstanding nominal amount under the Bonds, to the benefit of the Bondholders.

1.2 Request

With reference to the above, the Issuer hereby requests that the Bondholders agree to amend the Terms and Conditions as detailed in the consolidated page-pull mark-up attached as Schedule 3 (*Mark up of amendments relating to the Request*) (the “**Request**”). For ease of reference, the amendments include, *inter alia*:

- (i) an extension of the Final Maturity Date by 12 months so that the new Final Maturity Date shall be 9 July 2023 in order for the Issuer to evaluate and secure acceptable refinancing options;
- (ii) a step-down of the Net Interest Bearing Debt to EBITDA financial covenant (*Maintenance Test*) from 3.75x to 3.5x starting from 30 September 2022 to the benefit of the Bondholders;
- (iii) a new undertaking to partly amortise the Bonds in an amount of SEK 12,500,000 on each Interest Payment Date falling on 9 October 2022, 9 January 2023 and 9 April

2023 (i.e. an aggregate partial prepayment of SEK 37,500,000) in each case together with the call option premium for the relevant period;

- (iv) a new information undertaking for the Issuer to, subject to applicable laws and the contract with the Regulated Market, take all reasonable steps to procure that senior management of the Group shall once in every financial quarter, in connection with the publication of the quarterly financial report of the Issuer, hold a presentation for Bondholders in relation to the on-going business and financial performance of the Group and any other matter which a Bondholder (through the Agent) may reasonably request, to the benefit of the Bondholders;
- (v) increased the redemption price at the Final Maturity Date to 101 per cent. of the Nominal Amount (together with accrued but unpaid Interest);
- (vi) an amended call structure to incentivise the Issuer to make a total voluntary prepayment of the Bonds before the Final Maturity Date;
- (vii) permission for the Issuer to incur Financial Indebtedness under the Subordinated Bonds; and
- (viii) permission for the Issuer to cancel Bonds which have been tendered in the Exchange Offer.

The Issuer requests that the Bondholders submit their votes as soon as possible, even if the voting period has not ended. Please refer to section 4.1 (Voting procedure) for further details on the voting procedure.

2. Effectiveness

The amendments proposed pursuant to the Request shall be deemed to be approved:

1. immediately upon expiry of the voting period and receipt of the required majority as set forth in section 4.5 (*Majority*) below; or
2. if earlier, when the requisite majority of consents of the Adjusted Nominal Amount have been received by the Agent.

Provided that the requisite majority has voted in favor of the Request, the Issuer and the Agent shall, upon the Issuer's request, amend and restate the Terms and Conditions and (it being noted that there shall only be one set of amended and restated Terms and Conditions reflecting the amendments proposed by the Request) as well as enter into and deliver any other agreements and/or documents that are necessary and/or desirable for the purpose of effectuating the proposals and requests set out in this Notice including reflecting any immaterial amendments which Euroclear Sweden may request in order to register the amended Terms and Conditions. The Issuer shall, following the execution of

such amendment and restatement, procure that the duly executed amended and restated Terms and Conditions are registered with the CSD.

Please note that although the Issuer intends to implement the amendments as proposed pursuant to the Request, it has no obligation to do so even if the Request is approved by the Bondholders.

The Issuer shall in accordance with Clause 16(o) of the Terms and Conditions publish information about the decision in relation to the Request on the website of the Group (<https://www.sergel.com>).

3. Conditions Subsequent

If the Request has been approved pursuant to section 2 (*Effectiveness*) above, the Issuer shall:

1. within 45 days thereof, (i) issue Subordinated Bonds pursuant to the Exchange Offer in a minimum nominal amount of SEK 40,000,000 materially in accordance with the terms set out in Schedule 4 (*Terms and conditions for the Subordinated Bonds*) and (ii) cancel all Bonds purchased by the Issuer in the Exchange Offer in a minimum nominal amount of SEK 39,000,000; and
2. no later than 9 July 2022, resolve to enter into and duly execute (and procure that each relevant Group Company resolves to enter into and duly executes) a security confirmation agreement for the purpose of extending the Transaction Security to the prolonged tenor of the Bonds,

provided that failure to satisfy any of the above listed conditions subsequent shall constitute an Event of Default under the Terms and Conditions.

4. Written Procedure

The following instructions must be adhered to under the Written Procedure.

4.1 Voting procedure

To be eligible to vote, you must be a Bondholder on 2 June 2022 (the “**Record Date**”). This means that you must be registered in the debt register with the CSD (Sw. *skuldbok*) for the Bonds (the “**Debt Register**”) as direct registered owner (Sw. *direktregistrerad ägare*) or as authorised nominee (Sw. *förvaltare*) with respect to one or several Bonds.

If you hold Bonds through an authorised nominee and wish to exercise voting rights in respect of such Bonds, you will need to instruct your nominee to vote on your behalf (in such case, please instruct the authorised nominee to submit the votes as soon as possible, even if the voting period has not ended). Alternatively, you may request your nominee to issue a power of attorney preferably in the format set out in Schedule 2 (*Power of Attorney*) to this Notice authorising you to vote. If your Bonds are held through several intermediaries (*i.e.* your authorised nominee is not registered in the Debt Register), you will need to obtain a power of attorney from the Bondholder listed in the Debt Register, or otherwise obtain a coherent chain of powers of attorney starting with the Bondholder listed in the Debt Register.

Bondholders participate in the Written Procedure by completing and sending a voting form in the format set out in Schedule 1 (Voting Form) to this Notice (the “**Voting Form**”) and, if applicable, a power of attorney, to the Agent.

A Bondholder who has submitted a valid Voting Form undertakes by such submission not to revoke such valid Voting Form.

Bonds owned by the Issuer, another Group Company or an Affiliate do not entitle such owner to any voting rights.

4.2 Final date to vote in the Written Procedure

The Agent must receive the duly completed Voting Form **no later than 15.00 (CET) on 23 June 2022** either by regular mail, courier or email using the contact details set out in section 4.6 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

4.3 Decision procedure

The Agent will determine if a submitted Voting Form will be counted as a valid vote in the Written Procedure.

When a requisite majority of votes in favour of the Request has been received by the Agent, the Request shall be deemed to be adopted even if the time period for replies in the Written Procedure has not yet expired.

A notice of the outcome of the Written Procedure will promptly be sent by regular mail to the Bondholders and be published on the websites of the Issuer (<https://www.sergel.com>) and the Agent (www.nordictrustee.com and www.stamdata.com).

Any matter decided upon through the Written Procedure will be binding for all Bondholders.

4.4 Quorum

Bondholders representing at least fifty (50) per cent. of the Adjusted Nominal Amount must participate in the Written Procedure (by way of casting votes) in order to form quorum.

If the required quorum is not reached, the Agent shall, if requested by the Issuer, initiate a second Written Procedure for which no quorum requirement will apply.

4.5 Majority

The Agent must receive votes in favour thereof in the Written Procedure representing at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount of the Bondholders voting in the Written Procedure in order for the Request to be approved, since the Request relates to an amendment of a payment day for principal.

4.6 Address for sending replies

By regular mail:

Nordic Trustee & Agency AB (publ)
Attn: Written Procedure Legres AB (publ)
P.O. Box 7329
SE-103 90 Stockholm

By courier:

Nordic Trustee & Agency AB (publ)
Attn: Written Procedure Legres AB (publ)
Norrandsgatan 23
111 43 Stockholm

By email:

E-mail: voting.sweden@nordictrustee.com

5. Role of the Agent

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

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

6. Further information

For questions regarding the Request, please contact the Issuer at Klaus.Reimer@sergel.com, +45 40 99 55 25. Management will be available for meetings and Q&A with investors on request.

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

Stockholm, 27 May 2022

NORDIC TRUSTEE & AGENCY AB (PUBL)

as Agent

at the request of Legres AB (publ)

Enclosed:

Schedule 1	Voting Form
Schedule 2	Power of Attorney
Schedule 3	Mark up of amendments relating to the Request
Schedule 4	Terms and conditions for the Subordinated Bonds
Schedule 5	Investor presentation

VOTING FORM

Schedule 1

[Please submit this voting form as soon as possible, even if the voting period has not ended]

For the Written Procedure in Legres AB (publ) - SEK 440,000,000 Senior Secured Floating Rate Callable Bonds 2019/2022 ISIN: SE0012729010

The undersigned Bondholder or authorised person/entity (the “**Voting Person**”), votes either **For** or **Against** the Request by marking the applicable box below.

NOTE: If you are not registered in the debt register with the CSD (Sw. skuldbok (direktregistrerade)) as a direct registered owner (Sw. direktregistrerad ägare) or as an authorised nominee (Sw. förvaltare), you cannot submit this Voting Form without enclosing an executed Power of Attorney, see Schedule 2 to the Notice.

Name of the Voting Person: _____

Capacity of the Voting Person: Bondholder: ☐ ¹ authorised person: ☐ ²

☐ **For** the Request

☐ **Against** the Request

Voting Person's reg.no/id.no: _____

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

Name and Securities Account number of authorised
nominee (Sw. förvaltare): (if applicable) _____

Nominal Amount voted for (in SEK): _____

Telephone number, email address and contact person:

Name of authorised signatory:³

Place, date

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

² When voting in this capacity, the Voting Person must also enclose Power of Attorney (Schedule 2) from the Bondholder or other proof of authorisation showing the number of votes held on the Record Date.

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

POWER OF ATTORNEY

Schedule 2

For the Written Procedure in Legres AB (publ) - SEK 440,000,000 Senior Secured Floating Rate Callable Bonds 2019/2022 ISIN: SE0012729010

NOTE: This Power of Attorney and authorisation document shall be filled out if the Voting Person is not registered as Bondholder (as defined in the Terms and Conditions) in the debt register (Sw. skuldbok (direktregistrerade)), held with the CSD. If the Voting Person's Bonds are held through several intermediaries, the Voting Person will need to obtain a Power of Attorney from the Bondholder (as defined in the Terms and Conditions), or otherwise obtain a coherent chain of powers of attorney starting with the Bondholder.

Name of person/entity that is given authorisation (Sw. *befullmäktigad*) to vote as per the Record Date:

Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Record Date:

Name of the Bondholder or other intermediary giving the authorisation (Sw. *fullmaktsgivaren*):

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

We represent an aggregate Nominal Amount of: SEK _____

We are:

☐ Registered as Bondholder on the Securities Account

☐ Other intermediary and holds the Bonds through (specify below):

Place, date: _____

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

MARK UP OF AMENDMENTS RELATING TO THE REQUEST

Schedule 3
[Separately attached]

Legres AB (publ)

Terms and Conditions

Up to SEK 1,000,000,000

Senior Secured Callable Floating Rate
Bonds

ISIN SE0012729010

Originally dated 24 June 2019, as amended and
restated on 10 March 2021 [and as further amended and
restated on \[**\] 2022](#)

Other than the registration of the Bonds under Swedish law, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the



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Terms and Conditions

1 Definitions and Construction

1.1 Definitions

In these terms and conditions originally dated 24 June 2019, as amended and restated on 10 March 2021 [and as further amended and restated on \[**\] 2022](#) (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).

"Adjusted Nominal Amount" means the Total Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Bonds.

"Advance Purchase Agreements" means:

- (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts; or
- (b) any other trade credit incurred in the ordinary course of business

"Affiliate" means any Person (i) directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person or (ii) being an affiliate (Sw. *närstående*) according to the definition in the Swedish Act on Public Takeover Offers on the Stock Market (*lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*). 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 on 17 June 2019 between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent, regarding, inter alia, the remuneration payable to the Agent.

"Agent" means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

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

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause 17 (*Bondholders' Meeting*).

"**Bond**" means a debt instrument (*skuldförbindelse*) 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 and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

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

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

"**Call Option**" means the Issuer's right to redeem outstanding Bonds in full in accordance with 9.3 (*Voluntary total redemption (call option)*).

"**Call Option Amount**" means:

- (a) 106.00 per cent. of the ~~Outstanding~~ Nominal Amount if the Call Option is exercised on or after, and including, the First Issue Date to, but not including, the First Call Date, together with (i) the remaining interest payments, calculated in accordance with the below and (ii) accrued but unpaid Interest. For the purpose of calculating the remaining interest payments, 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;
- (b) 103.00 per cent. of the ~~Outstanding~~ Nominal Amount, if the Call Option is exercised on or after the First Call Date to, but not including, the date falling 30 months after the First Issue Date, together with accrued but unpaid Interest;
- (c) 101.50 per cent. of the ~~Outstanding~~ Nominal Amount, if the Call Option is exercised on or after the date falling 30 months after the First Issue Date to, but not including, the ~~Final Maturity Date, together with accrued but unpaid Interest;~~ and date falling 36 months after the First Issue Date, together with accrued but unpaid Interest;
- (d) 100.25 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling 36 months after the First Issue Date to, but not including, the date falling 39 months after the First Issue Date, together with accrued but unpaid Interest;
- (e) 100.50 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling 39 months after the First Issue Date to, but not including, the date

falling 42 months after the First Issue Date, together with accrued but unpaid Interest;

(f) 100.75 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling 42 months after the First Issue Date to, but not including, the date falling 45 months after the First Issue Date, together with accrued but unpaid Interest; and

(g) 101.00 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling 45 months after the First Issue Date to, but not including, the Final Maturity Date, together with accrued but unpaid Interest.

~~(d) notwithstanding paragraph (c) above, provided that the redemption is financed to more than 50 % by way of one or several Market Loan issues, at any time from and including the date falling 3 months before the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount equal to 100 % of the Outstanding Nominal Amount together with accrued but unpaid Interest.~~

"**Cash**" means, at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a Group Company with a bank and to which a Group Company is alone (or together with other Group Companies) beneficially entitled.

"**Cash Equivalents**" means, in respect of the Group, and at any time, (i) immediately available funds to which a Group Company is alone (or together with other Group Companies) beneficially entitled at bank or postal accounts and (ii) marketable debt securities held for cash management purposes that can be realised promptly and which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, or, if no rating is available in respect of the commercial paper or debt securities, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating

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

"**Change of Control Event**" means the occurrence of an event or series of events whereby any person, other than the Owner, acquires control over the Issuer and where "control" means:

- (a) controlling, directly or indirectly, more than 50% of the voting shares of the Issuer; or
- (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

"**Compliance Certificate**" means a certificate, in form and substance satisfactory to the Agent, signed by the Issuer certifying the Maintenance Test (including figures in respect of the relevant financial tests and the basis on which they have been calculated), and (ii) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it.

"CSD" means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

"EBITDA" means, in respect of the Reference Period, the aggregate of the profit of the Group on a consolidated basis from ordinary activities according to the latest Financial Report:

- (a) before deducting any amount of tax on profits, gains or income paid or payable by the Group;
- (b) before deducting any ~~Net~~ Finance Charges;
- (c) (without double-counting) before deducting any finance charges (including accrued interest and other finance payments whether paid or payable) in respect of Shareholder Loans or any other claims subordinated pursuant to a subordination agreement in form and substance satisfactory to the Agent, such as any Financial Indebtedness referred to in paragraph (l) of the definition of "Permitted Debt";
- (d) ~~(+)~~ before taking into account any extraordinary or exceptional items which are not in line with the ordinary course of business;
- (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 member of the Group;
- (g) ~~(+)~~ before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is 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 member of the Group which is attributable to minority interests;
- (j) ~~(+)~~ plus or minus the Group 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, impairment or depletion of assets of the Group.

"Event of Default" means an event or circumstance specified in any of the Clauses in 14 (*Events of Default and Acceleration of the Bonds*) other than Clause 14.11 (*Acceleration of the Bonds*) is an Event of Default.

"Final Maturity Date" 9 July ~~2022~~ 2023 (~~3~~ 4 years after the First Issue Date).

"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 member of the Group according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, capitalised interest in

"Insolvent" means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Bondholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

"Interest" means the interest on the Bonds calculated in accordance with Clauses 8(a) to 8(c).

"Interest Coverage Ratio" means the ratio of EBITDA to Net Finance Charges.

"Interest Payment Date" means 9 January, 9 April, 9 July and 9 October of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 9 October 2019 and the last Interest Payment Date shall be the relevant Redemption Date.

"Interest Period" means (i) in respect of the first Interest Period, the period from (but excluding) the First Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

"Interest Rate" STIBOR (3 months), plus the applicable Floating Rate Margin. The Interest Rate shall for the avoidance of doubt never be less than zero (0).

"Issuer" means Legres AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 559085-4773.

"Issuer's Cash" means, at any time, Cash and Cash Equivalents available to the Issuer and the Group Companies.

"Issuing Agent" means ~~Skandinaviska Enskilda Banken AB (publ)~~ [ABG Sundal Collier ASA](#), or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"Listing Failure Event" means when the Initial Bonds and the Subsequent Bonds have not been listed on an MTF in accordance with Clauses 13.8(a)(ii), 13.8(b)(i)(B) and 13.8(b)(ii)(B).

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

"Material Adverse Effect" means a material adverse effect on:

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

"Material Group Company" means the Issuer, each Sergel Entity and each Group Company representing more than 10.00 per cent of the total assets of the Group on a consolidated basis (for the avoidance of doubt, excluding any intra group transactions) according to the latest Financial Report.

"MB Service Agreements" means the agreements entered into on 30 June 2017 and on arm's length basis with the term to maturity after the Final Maturity Date and otherwise not permitted to be terminated before the Bonds have been repaid in full, between certain Sergel Entities and Sergel Finans AB, Sergel Finans AS and Sergel Finans Oy, regarding services to be provided by such Sergel Entities to Sergel Finans AB, Sergel Finans AS and Sergel Finans Oy.

"MB Service Agreements Pledge Agreement" means the rights pledge agreement relating to the first ranking pledge over certain Sergel Entities' rights under the MB Service Agreements.

"MTF" means any multilateral trading facility as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

"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 member of the Group and any interest income relating to Cash or Cash Equivalent investment (and excluding any interest capitalised on Shareholder Loans).

"Net Interest Bearing Debt" means the aggregate interest bearing debt less [Pension Liabilities](#), Cash and Cash Equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, bank guarantees, Shareholder Loans, any claims subordinated pursuant to a subordination agreement in form and substance satisfactory to the Agent, ~~such as any Financial Indebtedness referred to in paragraph (I) of the definition of "Permitted Debt"~~, and interest bearing debt borrowed from any Group Company).

"Net Proceeds" means the proceeds from the bond issue which, after deduction has been made for the transaction costs payable by the Issuer in connection with issuance of the Bonds, shall be transferred to the Issuer and used in accordance with the Purpose of the Bond Issue.

"Nominal Amount" means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which each Bond has been partly amortised or redeemed in accordance with these Terms and Conditions.

~~"Outstanding Nominal Amount" means the Nominal Amount less any repayments made pursuant to Clause 13.5 (Disposal of Assets) and Clause 9.4 (Voluntary Partial Redemption).~~

"Owner" means Ewa Glennow (personal identity number 560322-3966).

"Permitted Debt" means any Financial Indebtedness:

- (a) incurred under the Bonds;
- (b) of the Group incurred pursuant to any financial leasing arrangements incurred in the ordinary course of the Group's business in a maximum amount of SEK 30,000,000;
- (c) taken up from a Group Company;
- (d) of the Group under any guarantee issued by a Group Company in the ordinary course of business;
- (e) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (f) arising under any interest rate hedging transactions in respect of payments to be made under the Terms and Conditions, but not any transaction for investment or speculative purposes;
- (g) related to any Shareholder Loans;
- (h) incurred under Advance Purchase Agreements;
- (i) incurred as a result of any Group Company acquiring another entity, save for the Sergel Entities, and which is due to that such acquired entity holds indebtedness, provided that any such acquired debt is refinanced by the Issuer within 6 months;
- (j) pension liabilities of the Group less any capital in Telia Pensionsstiftelse designated for pension liabilities of the Group, in an outstanding amount not exceeding SEK 45,000,000 (the "**Pension Liabilities**");
- (k) incurred by the Issuer for the purpose of refinancing the Bonds in full; ~~and~~
- (l) incurred by the Issuer under any Market Loan which is:
 - (i) subordinated to the obligations of the Issuer under the Finance Documents pursuant to a subordination agreement to be entered into between the Issuer, the Agent and the agent for such market Loan;
 - (ii) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
 - (iii) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date; and
- (m) ~~(a)~~ any Financial Indebtedness not referred to in paragraphs ~~(a)~~ ~~(k)~~ ~~(a)~~ ~~(l)~~ above, not exceeding an aggregate amount of SEK 10,000,000.

"Secured Obligations" means all present and future obligations and liabilities of the Issuer to the Secured Parties under the Finance Documents and the Agency Agreement.

"Secured Parties" means the Security Agent, the Bondholders and the Agent (including in its capacity as Agent under the Agency 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 Nordic Trustee & Agency AB (publ) holding the Transaction Security on behalf of the Secured Parties.

"Security Documents" means:

- (a) the share pledge agreement relating to first ranking pledge over the shares in the Issuer;
- (b) the share pledge agreement relating to first ranking pledge over the shares in each Sergel Entity;
- (c) the shareholder loan pledge agreement relating to first ranking pledge over the Shareholder Loans; and
- (d) the MB Service Agreements Pledge Agreement.

"Sergel Entities" means Sergel Kreditjänster AB, a (Reg. No. 556264-8310), Sergel Oy (Reg. No. 1571416-1), Sergel A/S (CVR: 35481036) and Sergel Norge AS (Reg. No. 984 272 170).

"Shareholder Loans" means any shareholder loan to the Issuer if such shareholder loan:

- (a) pursuant to the Subordination Agreement are subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
- (c) according to its terms yield only payment-in-kind interest, other than interest that is permitted to be payable under Clause 13.2 (Distributions).

"STIBOR" means:

- (a) ~~the applicable percentage rate per annum displayed on Nasdaq Stockholm's website for STIBOR fixing the Stockholm interbank offered rate (STIBOR) administered by the Swedish Financial Benchmark Facility AB (or through another website any person replacing it as administrator) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in for~~ Swedish Kronor and for a period

comparable to the relevant Interest Period, as displayed on page STIBOR= of the Refinitiv screen (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. on the Quotation Day;~~or~~

- (b) if no rate as described in paragraph (a) above is available for the relevant Interest Period, the rate determined by the Issuing Agent by linear interpolation between the two closest rates for STIBOR fixing, as displayed on page STIBOR= of the Refinitiv screen (or any replacement thereof) as of or around 11.00 a.m. on the Quotation Day for Swedish Kronor;
- (c) ~~(b)~~if no rate if no rate as described in paragraph (a) or (b) above is available for the relevant Interest Period, the arithmetic mean of the Stockholm interbank offered 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, the Reference Banks for deposits of SEK 100,000,000 for the relevant period; or
- (d) ~~(c)~~if no rate as described in paragraph (a) or (b) above is available for the relevant Interest Period and no quotation is available pursuant to paragraph ~~(b)~~c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

"**Subsequent Bonds**" means any Bonds issued after the First Issue Date on one or more occasions.

"**Subsidiary**" means a subsidiary of the Issuer according to Chapter 1 Section 11 of the Swedish Companies Act (or under such provision as may replace this provision).

"**Subordination Agreement**" means a subordination agreement to be entered into between the Agent, the Issuer and Legres Holding AB under which any Shareholder Loans granted to the Issuer will be subordinated.

"**Swedish Kronor**" and "SEK" means the lawful currency of Sweden.

"**Total Nominal Amount**" means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

"**Test Date**" means the last day of each calendar quarter.

"**Transaction Costs**" means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with (i) the Bond Issue, (ii) the listing of the Bonds and (iii) the written procedure in respect of the Bonds requested by the Issuer and communicated by the Agent on 15 January 2021, including any consent fee paid out to Bondholders in connection therewith.

"**Transaction Security**" means the Security provided for the Secured Obligations pursuant to the Security Documents.

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 18 (*Written Procedure*).

- (c) 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 8(d) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, 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.

8 Interest

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will, however, carry Interest at the Interest Rate from, but excluding, the Interest Payment Date falling immediately prior to its issuance up to and including the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) 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).
- (d) If the Issuer fails to pay any amount payable by it 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.

9 Redemption, Repurchase and Amortisation of the Bonds

9.1 Redemption at maturity

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 101.00 per cent. of the ~~Outstanding~~ Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

9.2 Issuer's purchase of Bonds

The Issuer may at any time and at any price purchase any Bonds on the market or in any other way. Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled by the Issuer, unless in case of a full redemption of the Bonds. Notwithstanding the foregoing, in the event that the Issuer purchases Bonds pursuant to

an exchange offer against new subordinated Market Loan instruments referred to in paragraph (l) of the definition of “Permitted Debt”, the Issuer may cancel such purchased Bonds at its discretion.

9.3 Voluntary total redemption (call option)

- (a) The Issuer may redeem all, but not only some, of the Bonds early on any Business Day before the Final Maturity Date. The Bonds shall be redeemed at the Call Option Amount together with accrued but unpaid interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days’ notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer’s discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

9.4 Voluntary Partial Redemption

- (a) The Issuer may on one occasion each calendar year (without carry-back or carry forward), make partial repayments of Bonds in an amount corresponding to a maximum of ten (10) per cent. of the aggregate Nominal Amount as of the First Issue Date. Any such partial repayment shall reduce the Nominal Amount of each Bond *pro rata* (rounded down to the nearest SEK 1.00). The prepayment price for each Bond shall be the lower of the Call Option Amount and 103% of the Nominal Amount together with accrued but unpaid interest.
- (b) Partial redemption in accordance with Clause 9.4(a) shall be made by the Issuer giving not less than (20) Business Days’ notice and the repayment shall be made on the immediately following Interest Payment Date.

9.5 Mandatory repurchase (put option)

- (a) Upon a Change of Control Event occurring that has not been waived by the Bondholders in accordance with these Terms and Conditions, 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 (plus accrued and unpaid interest) during a period of sixty (60) days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1(d) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- (b) Upon a Listing Failure Event occurring that has not been waived by the Bondholders in accordance with these Terms and Conditions, 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 (plus accrued and unpaid interest) during a period of sixty (60) days following a notice from the Issuer of the Listing Failure Event pursuant to Clause 11.1(d) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Listing Failure Event.

- (c) The notice from the Issuer pursuant to Clause 11.1(d) 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 Clause 11.1(d). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.5(a).

9.6 Amortisation

- (a) The Issuer shall partly repay the Bonds in a total aggregate amount of SEK 110,000,000 on the Interest Payment Date falling on 9 April 2021.
- (b) The Issuer shall partly repay the Bonds in a total aggregate amount of:
 - (i) SEK 12,500,000 on the Interest Payment Date falling on 9 October 2022;
 - (ii) SEK 12,500,000 on the Interest Payment Date falling on 9 January 2023;
and
 - (iii) SEK 12,500,000 on the Interest Payment Date falling on 9 April 2023,
or, to the extent any such day is not a Business Day, the Business Day following from an application of the Business Day Convention and in each case with a premium on the due and payable amount as set forth in the Call Option Amount for the relevant period.
- (c) ~~The Issuer shall partly repay the Bonds in a total aggregate amount of SEK 110,000,000 on the Interest Payment Date falling on 9 April 2021.~~ ~~The~~ Any repayment pursuant to this Clause 9.6 shall reduce the Nominal Amount of each outstanding Bond by the nominal amount repaid *pro rata* (rounded down to the nearest SEK 1.00).

9.7 General

- (a) 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 9, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9 by virtue of the conflict.
- (b) Any Bonds repurchased by the Issuer pursuant to this Clause 9 may at the Issuer's discretion be retained or sold but not cancelled by the Issuer, unless in case of a full redemption of the Bonds. Notwithstanding the foregoing, in the event that the Issuer purchases Bonds pursuant to an exchange offer against new subordinated Market Loan instruments referred to in paragraph (l) of the definition of "Permitted Debt", the Issuer may cancel such purchased Bonds at its discretion.

- (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated 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; and
 - (iii) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (b) The Issuer shall, in a report pursuant to paragraph 11.1(a)(ii) above, disclose the number of any Bonds purchased, sold or cancelled by the Issuer during the financial quarter pertaining to such report, provided that no such information shall be necessary if no Bonds have been purchased, sold or cancelled during the relevant financial quarter;
- (c) The Issuer shall issue a Compliance Certificate to the Agent in connection with the publication of a report pursuant to paragraph 11.1(a)(ii).
- (d) The Issuer shall promptly notify the Agent when the Issuer is or becomes aware of (i) the occurrence of a Change of Control, or (ii) that an Event of Default has occurred or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute 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.
- (e) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (f) The Issuer shall immediately notify the Agent (with full particulars) when the Issuer is or becomes aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (g) The Issuer is only obliged to inform the Agent according to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the 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 this Clause 11.1.
- (h) The Issuer shall, subject to applicable laws and the contract with the Regulated Market, take all reasonable steps to procure that senior management of the Group shall once in every financial quarter, in connection with the publication of the

quarterly interim unaudited consolidated report of the Issuer pursuant to Clause 11.1(a)(ii), hold a presentation for Bondholders in relation to the on-going business and financial performance of the Group and any other matter which a Bondholder (through the Agent) may reasonably request.

11.2 Information from the Agent

Subject to the restrictions of any applicable law and regulation, the Agent is 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.

11.3 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Group and the Agent.
- (b) The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours.

12 Financial Covenants

12.1 Maintenance Test

(a) The Maintenance Test is satisfied if the Issuer's Cash and Cash Equivalents amounts to at least SEK 20,000,000 and if:

- (i) ~~(a)~~ for the period commencing on the First Issue Date to and ending on 30 September 2020 (i) the Interest Coverage Ratio exceeds 2.50x, and (ii) the Net Interest Bearing Debt to EBITDA is not greater than 3.75x;
- (ii) ~~(b)~~ from (and including) 1 October 2020 to (and including) 31 December 2020 (i) the Interest Coverage Ratio exceeds 2.50x, (ii) and the Net Interest Bearing Debt to EBITDA is not greater than 4.50x;
- (iii) ~~(c)~~ from (and including) 1 January 2021 to (and including) 31 March 2021 (i) the Interest Coverage Ratio exceeds 2.25x, (ii) and the Net Interest Bearing Debt to EBITDA is not greater than 5.00x-;
- (iv) ~~(d)~~ from (and including) 1 April 2021 to (and including) 31 December 2021 (i) the Interest Coverage Ratio exceeds 2.00x and (ii) the Net Interest Bearing Debt to EBITDA is not greater than 5.50x;
- (v) ~~(e)~~ from (and including) 1 January 2022 to (and including) 31 March 2022 (i) the Interest Coverage Ratio exceeds 2.25x, and (ii) the Net Interest Bearing Debt to EBITDA is not greater than 4.00x; ~~and~~

- (vi) from (and including) 1 April 2022 to (and including) 30 September 2022 (i) the Interest Coverage Ratio exceeds 2.50x, and (ii) the Net Interest Bearing Debt to EBITDA is not greater than 3.75x; and
- (vii) ~~(i)~~from (but excluding) 30 September 2022 to (and including) the Final Maturity Date (i) the Interest Coverage Ratio exceeds 2.50x, and (ii) the Net Interest Bearing Debt to EBITDA is not greater than ~~3.75x~~3.50x.
- (b) ~~(e)~~The Maintenance Test to be tested quarterly on each Test Date on the basis of each Financial Report.

12.2 Incurrence Test

- (a) The Incurrence Test is satisfied if the Net Interest Bearing Debt to EBITDA is less than 2.50x.
- (b) The Incurrence Test shall be tested in connection with each (i) issue of any Subsequent Bonds and (ii) the payment of any dividend or distribution by the Company pursuant to Clause 13.2(a) below in which case the Net Interest Bearing Debt shall be increased taking into account the contemplated issue of Subsequent Bonds or payment of a dividend or distribution (as applicable).

12.3 Adjustments

The figures for the Net Finance Charges and 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 Maintenance Test, but adjusted so that Net Finance Charges attributable to any Bonds that have been repurchased (and not resold) or redeemed by any Group Company during the Reference Period shall be excluded, pro forma, for the entire Reference Period. Applicable exchange rates for the calculations shall be each year's average currency rates.

13 General Undertakings

13.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 13 for as long as any Bonds remain outstanding.

13.2 Distributions

The Issuer shall not, and shall procure that none of the Subsidiaries:

- (a) pay any dividend in respect of its shares (other than to the Issuer and any wholly-owned Subsidiary of the Issuer) provided however that the Issuer may pay a dividend or make a distribution provided that (i) the Incurrence Test (whereby the relevant test date for the Incurrence Test shall be the most recent Test Date) is met and (ii) the amount of such dividend or distribution may in aggregate, during a

which consent shall be required at each occasion such Subsequent Bonds are issued);

- (ii) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*) or Clause 12 (*Financial Covenant*);
 - (iii) a release of the Transaction Security, except in accordance with the terms of the Security Documents;
 - (iv) the exchange of Bonds for any other securities;
 - (v) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
 - (vi) amend any payment day for principal or interest amount or waive any breach of a payment undertaking, or
 - (vii) amend the provisions regarding the majority requirements under the Terms and Conditions.
- (f) Any matter not covered by Clause 16(e) shall require the consent of Bondholders representing more than 50 per cent. of the ~~Outstanding~~ Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19(a)(i) or 19(a)(iii)), an acceleration of the Bonds, or the enforcement of any Transaction Security.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent of the Adjusted Nominal Amount in relation to Clause 16(e) and at least twenty (20) per cent. of the Adjusted Nominal Amount in relation to Clause 16(f):
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) 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.
- (j) 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.

TERMS AND CONDITIONS FOR THE SUBORDINATED BONDS

Schedule 4
[Separately attached]

Legres AB (publ)

Terms and Conditions

SEK [**],000,000

Subordinated Unsecured Callable Fixed
Rate Bonds

ISIN [**]

Dated on [**] 2022

No action is being taken that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

Privacy Notice

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

The personal data collected will be processed by the Issuer, the Agent and the Issuing Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Bonds and payments under the Bonds;
- (c) to enable the Bondholders' to exercise their rights under the Finance Documents; and
- (d) to comply with their obligations under applicable laws and regulations.

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

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

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer, the Agent and the Issuing Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Agent's and the Issuing Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.sergel.com, www.nordictrustee.com and www.abgsc.com.

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Terms and Conditions

1 Definitions and Construction

1.1 Definitions

In these terms and conditions dated [**] 2022 (the “**Terms and Conditions**”):

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the 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).

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Bonds.

“**Affiliate**” means any Person (i) directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person or (ii) being an affiliate (Sw. *närstående*) according to the definition in the Swedish Act on Public Takeover Offers on the Stock Market (*lag (2006:451) om offentliga uppköpserbjudanden på aktiemarknaden*). 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 prior to the Issue Date between the Issuer and the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent, regarding, inter alia, the remuneration payable to the Agent.

“**Agent**” means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Bond**” means a debt instrument (*skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions.

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

“**Bondholders' Meeting**” means a meeting among the Bondholders held in accordance with Clause 15 (*Bondholders' Meeting*).

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

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

“Debt Register” means the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds in which a Bondholder is registered.

“Event of Default” means an event or circumstance specified in any of the Clauses in 12 (*Events of Default and Acceleration of the Bonds*) other than Clause 12.9 (*Acceleration of the Bonds*) is an Event of Default.

“Final Maturity Date” [**] (1.5 year after the Issue Date).

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

“Financial Indebtedness” means any indebtedness in respect of:

- (a) monies borrowed or raised, including under bank financing or Market Loans;
- (b) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis), provided that the requirements for de-recognition under the Accounting Principles are met;
- (c) any amount raised under any other transaction having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Principles (including forward sale or purchase arrangements);
- (d) the marked-to-market value of any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (e) any counter-indemnity obligation in respect of a guarantee, indemnity, Market Loan, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (f) (without double counting) any guarantee or other assurance against financial loss in respect of indebtedness referred to in the above items (a)-(f).

“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*).

“Financial Report” means the Group's annual audited consolidated financial statements or quarterly interim unaudited reports of the Group, which shall be prepared and made available in accordance with Clause 10.1 (*Information from the Issuer*).

“Force Majeure Event” has the meaning set forth in Clause (a).

“Group” means the Issuer and all Subsidiaries from time to time. **“Group Company”** means any member of the Group.

“Bonds” means the Bonds issued on the Issue Date in the total amount of SEK [**],000,000.

“Insolvent” means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Bondholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

“Interest” means the interest on the Bonds calculated in accordance with Clauses 8(a) to 8(c).

“Interest Date” means [**], [**], [**] and [**] of each year. The first Interest Date for the Bonds shall be [**] 2022 and the last Interest Date shall be the relevant Redemption Date.¹

“Interest Payment Date” means the relevant Redemption Date.

“Interest Period” means (i) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Date to (and including) the next succeeding Interest Date (or a shorter period if relevant). An Interest Period shall not be adjusted due to an application of the Business Day Convention.

“Interest Rate” means 9.00 per cent *per annum*.

“Issue Date” means [**] 2022.

“Issuer” means Legres AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 559085-4773.

“Issuing Agent” means ABG Sundal Collier ASA, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

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

¹ Note: Quarterly Interest Dates to be determined using the Issue Date as the first Interest Date.

“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 Group's ability to perform and comply with the payment obligations under the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

“Material Group Company” means the Issuer, each Sergel Entity and each Group Company representing more than 10.00 per cent of the total assets of the Group on a consolidated basis (for the avoidance of doubt, excluding any intra group transactions) according to the latest Financial Report.

“Nominal Amount” has the meaning set forth in Clause 2 (*Status of the Bonds*).

“Owner” means Ewa Glennow (personal identity number 560322-3966).

“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.

“Record Date” means the fifth (5) Business Day prior to (i) the Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 13 (*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 9 (*Redemption and Repurchase of the Bonds*).

“Securities Account” means the account for dematerialised securities maintained by the CSD pursuant to the 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.

“Senior Bonds” means the Issuer's existing senior secured callable floating rate bonds with ISIN SE0012729010.

“Subordination Agreement” means the subordination agreement to be entered into between the Agent, the Issuer and the agent for the Senior Bonds under which the Bonds will be subordinated to the Senior Bonds.

“Subsidiary” means a subsidiary of the Issuer according to Chapter 1 Section 11 of the Swedish Companies Act (or under such provision as may replace this provision).

“Swedish Kronor” and **“SEK”** means the lawful currency of Sweden.

“Total Nominal Amount” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

“Written Procedure” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 16 (*Written Procedure*).

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
 - (i) **“assets”** includes present and future properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a **“regulation”** includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (iv) an Event of Default is continuing if it has not been remedied or waived;
 - (v) a provision of law is a reference to that provision as amended or re-enacted; and
 - (vi) a time of day is a reference to Stockholm time.
- (b) 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.
- (c) The Financial Indebtedness shall be calculated without accounting for any effects pursuant to IFRS 16 (i.e. in accordance with the principles that applied in respect of classification of leases prior to IFRS 16).
- (d) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden.
- (e) 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.
- (f) The selling restrictions, the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

2 Status of the Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.

- (b) 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.
- (c) The nominal amount of each Bond is SEK 1,250,000 (the “**Nominal Amount**”). The Total Nominal Amount of the Bonds is SEK [**],000,000. All Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) Subject to the terms of the Subordination Agreement, the Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them and except for the obligations under the Senior Bonds which, pursuant to the Subordination Agreement, shall rank senior to the Bonds. For the avoidance of doubt, the Issuer may not repurchase, redeem or otherwise settle any amount under the Bonds until the Senior Bonds (including interest thereon) have been redeemed in full.
- (e) 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.
- (f) 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.

3 Use of Proceeds

The Issuer shall use the net proceeds (if any) from the issue of the Bonds, for its general corporate purposes including refinancing and investments.

4 Conditions Precedent to the Issue Date

The Issuer shall provide to the Agent, prior to the Issue Date, each document and other evidence listed below:

- (a) copies of the articles of association and certificate of incorporation of the Issuer;
- (b) a copy of a resolution from the board of directors of the Issuer:
 - (i) approving the issue of the Bonds, the terms of the Finance Documents, and resolving to enter into such documents and any other documents necessary in connection therewith;
 - (ii) authorising a specified person or persons to execute the Finance Documents; and

- (iii) authorising a specified person or persons, on its behalf, to execute all documents and notices to be executed by it or in connection with the Finance Document; and
- (c) a duly executed copy of the Terms and Conditions, Agency Agreement and the Subordination Agreement.

5 Bonds in Book-Entry Form

- 5.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Bondholders and their holdings of Bonds.
- 5.2 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 Financial Instruments Accounts Act.
- 5.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 5.4 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. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- 5.5 The Issuer and the Agent may use the information referred to in Clause 5.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

6 Right to act on behalf of a Bondholder

- 6.1 If any person other than a Bondholder (including the owner of a Bond, if such person is not the Bondholder) wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations starting with the Bondholder and authorising such person.
- 6.2 A Bondholder may issue one or several powers of attorney or other authorisations 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.

- 6.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 6.2 and may assume that such document 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 or the Agent has actual knowledge to the contrary.
- 6.4 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (Sw. *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

7 Payments in Respect of the Bonds

- 7.1 Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Bondholder on the Record Date prior to the Interest Payment Date or other relevant payment 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.
- 7.2 Provided that a Bondholder has registered an income account (Sw. *avkastningskonto*) for the relevant Securities Account on the applicable Record Date, the CSD shall procure that principal, interest and other payments under the Bonds are deposited to such income account on the relevant payment date. If an income account has not been registered on the Record Date for the payment, no payment will be effected by the CSD to such Bondholder. The outstanding amount will instead be held by the Issuer until the person that was registered as a Bondholder on the relevant Record Date has made a valid request for such amount. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect 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.
- 7.3 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 8 (*Interest*) during such postponement.
- 7.4 If payment or repayment is made in accordance with this Clause 7, the Issuer 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 has actual knowledge of the fact that the payment was made to the wrong person).
- 7.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

8 Interest

- (a) Each Bond carries Interest at the Interest Rate from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Accrued but unpaid Interest shall on each Interest Date compound and thereafter itself bear interest at the Interest Rate (“**PIK Interest**”). Payment of Interest (including PIK Interest) in respect of the Bonds shall be made to the Bondholders on the Interest Payment Date.
- (c) Interest shall be calculated on the basis of a 360-day year comprised of twelve (12) months of thirty (30) days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it 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.

9 Redemption and Repurchase of the Bonds

9.1 Redemption at maturity

Provided that no amount is outstanding under the Senior Bonds, 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 (including PIK Interest). If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

9.2 Issuer's purchase of Bonds

Provided that no amount is outstanding under the Senior Bonds, the Issuer may at any time and at any price purchase any Bonds on the market or in any other way. Bonds held by the Issuer may at the Issuer's discretion be retained, sold or cancelled.

9.3 Voluntary total redemption (call option)

- (a) Provided that no amount is outstanding under the Senior Bonds, the Issuer may redeem all, but not only some, of the Bonds early on any Business Day before the Final Maturity Date. The Bonds shall be redeemed at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest (including PIK Interest).
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the

conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

9.4 General

- (a) 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 9, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9 by virtue of the conflict.
- (b) Before any redemption, repurchase and/or repayment of the Bonds, the Issuer shall provide the CSD with such calculations, in accordance with the applicable rules and regulations of the CSD in order to establish with the CSD the correct amount to be redeemed and/or prepaid of the Bonds under these Terms and Conditions.

10 Information to Bondholders

10.1 Information from the Issuer

- (a) The Issuer will make the following information available to the Bondholders by way of press release and by publication on the website of the Group:
 - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year 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;
 - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated 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; and
 - (iii) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:582) om värdepappersmarknaden*).
- (b) The Issuer shall, in a report pursuant to paragraph 10.1(a)(ii) above, disclose the number of any Bonds purchased, sold or cancelled by the Issuer during the financial quarter pertaining to such report, provided that no such information shall be necessary if no Bonds have been purchased, sold or cancelled during the relevant financial quarter;
- (c) The Issuer shall promptly notify the Agent when the Issuer is or becomes aware of that an Event of Default has occurred or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute 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.

- (d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 10.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (e) The Issuer shall immediately notify the Agent (with full particulars) when the Issuer is or becomes aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (f) The Issuer is only obliged to inform the Agent according to this Clause 10.1 if informing the Agent would not conflict with any applicable laws. If such a conflict would exist, the Issuer shall 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 this Clause 10.1.

10.2 Information from the Agent

Subject to the restrictions of any applicable law and regulation, the Agent is 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.

10.3 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Group and the Agent.
- (b) The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours.

11 General Undertakings

11.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 11 for as long as any Bonds remain outstanding.

11.2 Nature of Business

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

11.3 Dealings with Related Parties

The Issuer shall, and shall procure that its Subsidiaries conduct all dealings with the direct and indirect shareholders of the Group Companies and/or any Affiliates of such direct and indirect shareholders at arm's length terms, provided that no disposal or other transfer of assets (including, but not limited to, registered intellectual property rights) shall be made to the Owner or any of its Affiliates.

11.4 Mergers and demergers

The Issuer shall not, and shall procure that none of its Subsidiaries, enter into a merger or demerger if such merger or demerger is likely to have a Material Adverse Effect. The Issuer shall not enter into a merger where the Issuer is not the surviving entity and the Issuer shall not enter into a demerger.

11.5 Loans out

The Issuer shall not, and shall procure that no Subsidiary grants any loans, other than to Group Companies or in the ordinary course of business, provided that not made to the Owner or any of its Affiliates.

11.6 Compliance with laws etcetera

The Issuer shall, and shall make sure that the Material Group Companies, (i) comply in all material respects with all laws and regulations applicable from time to time and (ii), obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Material Group Company.

12 Events of Default and Acceleration of the Bonds

Each of the events or circumstances set out in this Clause 12 (other than Clause 12.9 (*Acceleration of the Bonds*)) is an Event of Default.

12.1 Non-Payment

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

12.2 Other Obligations

The Issuer does not comply with the Finance Documents, in any other way than as set out in Clause 12.1 (*Non-Payment*) above, provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

12.3 Cross-Acceleration

Any Financial Indebtedness (excluding any loans between members of the Group) of a Material Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this section if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 20,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

12.4 Insolvency

- (a) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors with a view to rescheduling its Financial Indebtedness; or
- (b) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.

12.5 Insolvency Proceedings

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) 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; and
- (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 any analogous procedure or step is taken in any jurisdiction.

12.6 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 SEK 20,000,000 and is not discharged within 60 days.

12.7 Impossibility or Illegality

It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents or if the obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable.

12.8 Continuation of the Business

The Issuer or any other Material Group Company ceases to carry on its business, except for as a part of a merger, demerger or disposal carried out in accordance with the Terms and Conditions.

12.9 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 12.9(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders instruct (representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such instruction 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)) the Agent to accelerate the Bonds, the Agent shall, promptly declare the Bonds due and payable and take such actions as, in the opinion of the Agent, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.

- (e) If the right to accelerate 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 acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 12.9, the Issuer shall redeem all Bonds with an amount per Bond equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest (including PIK Interest).

13 Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 12 (*Events of Default and Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent
 - (i) *first*, in or towards payment of the Agent under the Finance Documents, including all costs and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights under the Finance Documents;
 - (ii) *secondly*, towards payment of accrued Interest (including PIK Interest) unpaid under the Bonds;
 - (iii) *thirdly*, towards payment of principal under the Bonds; and
 - (iv) *fourthly*, in or towards payment of any other costs or outstanding amounts under and in respect of the Bonds.

Any excess funds after the application of proceeds in accordance with paragraphs (i) to (iv) above shall be paid to the Issuer.
- (b) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 13 as soon as reasonably practicable.

14 Decisions by Bondholders

- (a) 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.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) 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 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.

- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
 - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
 - (ii) on the Business Day specified in the communication pursuant to Clause 16(c), 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.
- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ($66 \frac{2}{3}$) 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 16(c):
 - (i) waive a breach of or amend an undertaking set out in Clause 11 (*General Undertakings*);
 - (ii) the exchange of Bonds for any other securities;
 - (iii) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
 - (iv) amend any payment day for principal or interest amount or waive any breach of a payment undertaking, or
 - (v) amend the provisions regarding the majority requirements under the Terms and Conditions.
- (f) Any matter not covered by Clause 14(e) shall require the consent of Bondholders representing more than 50 per cent. of the 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 16(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 17(a)(i) or 17(a)(iii)), an acceleration of the Bonds.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent of the Adjusted Nominal Amount in relation to Clause 14(e) and at least twenty (20) per cent. of the Adjusted Nominal Amount in relation to Clause 14(f):

- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (ii) if in respect of a Written Procedure, reply to the request.
- (h) 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 15(a)) or initiate a second Written Procedure (in accordance with Clause 16(a)), 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 14(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) 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.
- (j) 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.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) 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.
- (m) 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.
- (n) 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) 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.
- (o) 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 Group 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.

15 Bondholders' Meeting

- (a) 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).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 15(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 18.4(c), 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 15(a).
- (c) The notice pursuant to Clause 15(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders), (iv) 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 and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) 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.

16 Written Procedure

- (a) 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.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 16(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 16(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the effectiveness of the communication pursuant to Clause 16(a)). If the

voting shall be made electronically, instructions for such voting shall be included in the communication.

- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 14(e) and 14(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 14(e) or 14(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

17 Amendments and Waivers

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
 - (i) the Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Bondholders as a group,
 - (ii) the Agent is satisfied that such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
 - (iii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iv) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with this Clause 17, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- (d) An amendment 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.

18 Appointment and Replacement of the Agent

18.1 Appointment of Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder; and

- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set forth in Clause 18.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (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. The Agent is not under any obligation to represent a Bondholder which does not comply with such request.
- (d) 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.
- (e) 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 Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

18.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders subject to and in accordance with the Finance Documents. The Agent is not responsible for the content, valid execution, legal validity or enforceability of the Finance Documents.
- (b) 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.
- (c) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) 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.

- (f) 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.
- (g) 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 after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer or which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and the Issuer. 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 13 (*Distribution of Proceeds*).
- (h) 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.
- (i) 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, or the Bondholders (as applicable), 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.
- (j) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 18.2(g).

18.3 Limited liability for the Agent

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

- (c) 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.
- (d) 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 the Finance Documents.
- (e) 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.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other person.

18.4 Replacement of the Agent

- (a) Subject to Clause 18.4(f), 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.
- (b) Subject to Clause 18.4(f), if the Agent is Insolvent, 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.
- (c) A Bondholder (or Bondholders) representing at least ten (10) 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.
- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) 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.
- (f) 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.

- (g) 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.
- (h) In the event that there is a change of the Agent in accordance with this Clause 18.4, 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 and the Agency Agreement. 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.

19 Appointment and Replacement of the Issuing Agent

- (a) 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.
- (b) 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.

20 No Direct Actions by Bondholders

- (a) 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, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 20(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 18.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 18.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2(k) before a Bondholder may take any action referred to in Clause 20(a).

21 Prescription

- (a) 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.
- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation 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 receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

22 Notices

22.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
 - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch, or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
 - (ii) if to the Issuer, to the following address:
 - (A) Legres AB (publ)
c/o Marginalen AB
Att. Ewa Glennow
SE-100 41, Stockholm
Sweden; or
 - (B) if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time.
 - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (to the extent it is possible to deliver by way of courier to the addresses registered with the CSD) or letter for all Bondholders.
- (b) Any notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- (c) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 22.1(a) or, in case of letter,

three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 22.1(a).

- (d) 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.

23 Force Majeure and Limitation of Liability

- (a) 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.
- (b) 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.
- (c) Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 23 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

24 Governing Law and Jurisdiction

- (a) 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.
- (b) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).

We hereby certify that the above terms and conditions are binding upon ourselves.

Place:

Date:

Legres AB (publ)
as Issuer

Name:

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

Place:

Date:

Nordic Trustee & Agency AB (publ)
as Agent

Name:

INVESTOR PRESENTATION

Schedule 5

[Separately attached]



Sergel
we care

Presentation to bondholders

May 2022

Disclaimers (1/3)

Background

This investor presentation (this “**Presentation**”) has been produced by Legres AB (publ) (the “**Issuer**” and together with its direct and indirect subsidiaries from time to time, the “**Group**”) solely for use in connection with the contemplated (i) written procedure for certain proposed amendments (the “**Proposal**”) to the terms and conditions (the “**Terms and Conditions**”) for the Issuer’s senior secured bonds with ISIN SE0012729010 (the “**Bonds**”) and (ii) issue by the Issuer of subordinated bonds (the “**Subordinated Bonds**”) to be governed by the terms and conditions for the Subordinated Bonds (the “**Subordinated Terms and Conditions**”), and may not be reproduced or redistributed in whole or in part to any other person.

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ANY INVESTOR INVESTING IN THE SUBORDINATED BONDS IS BOUND BY THE FINAL SUBORDINATED TERMS AND CONDITIONS AND OTHER FINANCE DOCUMENTS (AS DEFINED IN THE SUBORDINATED TERMS AND CONDITIONS) IN RESPECT OF THE SUBORDINATED BONDS WHICH THE INVESTOR ACKNOWLEDGES HAVING ACCEPTED BY SUBSCRIBING FOR SUBORDINATED BONDS. THE INVESTOR ACKNOWLEDGES THAT SUCH DOCUMENTS WILL BE MADE AVAILABLE BY ABG UPON REQUEST.

Disclaimers (2/3)

Forward looking statements

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

No due diligence

No financial due diligence has been carried out with respect to the Group and only a limited legal due diligence, by way of a management interview, has been conducted. Thus, there may be risks related to the Proposal, the Subordinated Bonds and the Group which are not included in this Presentation, and which could have a negative effect on the Group's operations, financial position, earnings and result.

No legal, credit, business, investment or tax advice

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

1. have sufficient knowledge and experience to make a meaningful evaluation of the Proposal, the Bonds, the Subordinated Bonds, the merits and risks of the Bonds, the Subordinated Bonds, the Terms and Conditions (as amended by the Proposal), the Subordinated Terms and Conditions and the information contained or incorporated by reference in this document or any applicable supplement;
2. have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, the Proposal, the Bonds, the Subordinated Bonds, the Terms and Conditions (as amended by the Proposal), the Subordinated Terms and Conditions and the impact other bonds will have on its overall investment portfolio;
3. have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds (as amended by the Proposal) and, if applicable, the Subordinated Bonds;

4. understand thoroughly the Proposal, the Terms and Conditions (as amended by the Proposal) and the Subordinated Terms and Conditions; and

5. be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the relevant risks.

ABG does not make any recommendation as to whether the Bondholders should participate in the Proposal or subscribe to Subordinated Bonds. ABG has not retained and does not intend to retain any unaffiliated representative to act solely on behalf of the Bondholders for purposes of negotiating the Proposal or preparing a report concerning the fairness of the Proposal. ABG does not take a position as to whether you ought to participate in the Proposal. This Presentation does not discuss the tax consequences to Bondholders. Bondholders are urged to consult their own independent financial or other professional advisors regarding possible tax consequences of the Proposal to them under the laws of any relevant jurisdiction. The Bondholders are liable for their own taxes and have no recourse to the Issuer, ABG or any of their Representatives with respect to taxes arising in connection with the Proposal.

Responsibility for complying with the procedures of the Proposal

The Bondholders are responsible for complying with all of the procedures for participation and voting in respect of the Proposal as set out in the notice of written procedure. Neither the Issuer nor ABG assumes any responsibility for informing any Bondholder of irregularities with respect to such Bondholder's participation in the Proposal (including any errors or other irregularities, manifest or otherwise, in any voting instruction).

Conflict of interest

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

Consent solicitation fee

ABG will be paid a fee by the Issuer for its consent solicitation in respect of the Proposal and the placement of the Subordinated Bonds.

Audit review of financial information

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

Disclaimers (3/3)

Target market

Solely for the purposes of ABG's product approval process, the target market assessment in respect of the Subordinated Bonds has led to the conclusion that (i) the target market for the Subordinated Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") and (ii) all channels for distribution of the Subordinated Bonds to eligible counterparties, professional clients and retail clients are appropriate. Any person subsequently offering, selling or recommending the Subordinated Bonds (a "**Distributor**") should take into consideration ABG's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Subordinated Bonds (by either adopting or refining ABG's target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Subordinated Bonds.

PRIIPs regulation

In the event of issuance of Subordinated Bonds, the Subordinated Bonds are not deemed to fall within the scope of Regulation (EU) No 1286/2014 (as amended) and no key information document (KID) has been prepared.

Governing law and jurisdiction

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

Issuer characteristics

Business overview

Legres AB (publ) (the “Issuer”, “Legres”, or the “Company”) is a supplier of credit and debt collection services in the Nordics

Ownership

Legres is owned 100% by Zostera AB

Listing status

- The Issuer’s shares are not publicly traded
- The Issuer’s existing bonds will remain listed while the new subordinated bonds will be unlisted

Previous capital markets experience

Legres has existing bonds listed on Nasdaq Stockholm and has previously had additional listed bonds

Other issuer characteristics

- Country of registry: Sweden
- Headquarter: Stockholm
- Country of operations: Sweden, Norway, Finland, Denmark

Declaration of completeness and bring down due diligence

The Issuer has signed a “Declaration of Completeness”, a “Statement of Responsibility” and concluded a “Bring down due diligence call”, confirming to the Bookrunner that the marketing material in all material aspects is correct and complete, and that all matters relevant for evaluating the Issuer and the transaction are properly disclosed in the material

Performed due diligence

The law firm Advokatfirman Vinge KB (“Vinge”) has acted as legal counsel to the Bookrunner and has conducted a customary legal due diligence for a transaction of this nature

Bookrunner

ABG Sundal Collier AB

Transaction legal counsel

Advokatfirman Vinge KB

Auditor of the Issuer

Legres has Deloitte AB as Auditor

Amendment proposal



Amendment proposal

Background

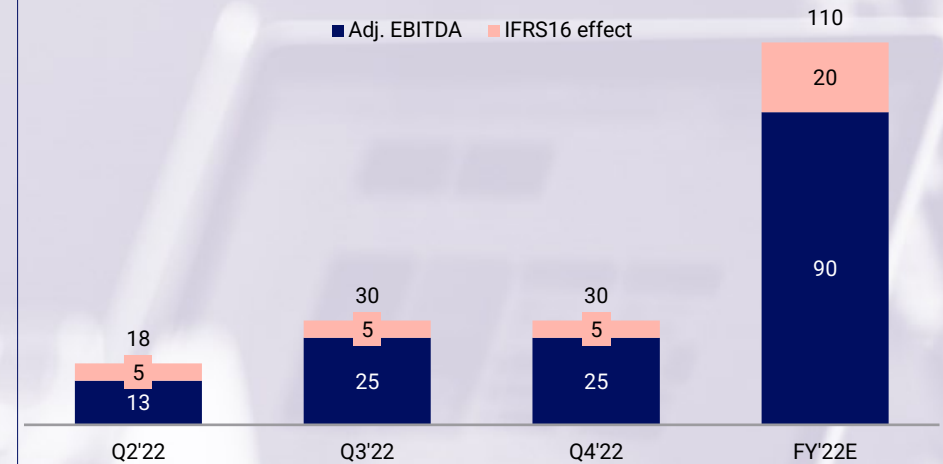
- In January 2021 Legres AB (publ) (the “Issuer”, “Legres”, or the “Company”) completed a written procedure to amend existing terms of its existing outstanding bonds (the “Bonds”) after revenue losses due to the Covid-19 outbreak, changes in Norwegian regulations and the loss of a large contract. The Company has experienced considerable progress both financially and operationally during the last year and has during the period returned to growth while margins at the same time have expanded leading to a noteworthy deleveraging. In relation to this, significant development has been made towards establishing a going concern with a potential refinancing of the outstanding Bonds being contemplated
- Due to the current weak market sentiment as a result of geopolitical turmoil, high inflation and increased interest rates, and after discussion with existing bondholders, the Company deems that it may not be possible to complete a refinancing of the outstanding Bonds during the time left until maturity in July 2022. In addition to some investors preferring to prolong the maturity of the Company’s existing Bonds, investors have also expressed their preference of waiting for the completion of the ongoing negotiations regarding the renewal of the two contracts as communicated on 10 May 2022

Amendment proposal

- Extension of the Bonds by 12 months, with a new final maturity date being 9 July 2023
- Mandatory partial redemptions of SEK 12.5 million on 9 October 2022, 9 January 2023, and 9 April 2023 at prevailing call premium
- Call schedule:
 - 100.25% during first 3 months after the extension date
 - 100.50% during month 3 – 6
 - 100.75% during month 6 – 9
 - 101.00% during month 9 – 12
- The Issuer is obligated to have quarterly calls with bondholders incl. a Q&A session (subject to restrictions pursuant to e.g. MAR and Nasdaq requirements)
- NIBD / EBITDA not to exceed 3.75x between and including 1 April 2022 – 30 September 2022 and 3.50x during the rest of the tenor
- Existing holders are offered to exchange Bonds to new subordinated bonds of maximum SEK 60 million. SEK 40 million have been pre-committed by related parties of which SEK 39 million are paid for by way of exchanging Bonds to new subordinated bonds

Source: Company info
Note: 1. Management estimates

Adj. EBITDA 2022E¹



Comment regarding future outlook

- The Company has a positive earnings outlook for the future which is based on a strong pipeline with new customers along with efficiency gains realised through a more effective Core system in Sweden and Finland. Sergel also expect a significant decrease in overhead going forward hence improving profitability

Proposed amendments of the terms and conditions

Existing key terms in summary

Issuer	Legres AB (publ)
Status	Senior Secured
Security	i) First ranking pledge of the shares in the Issuer, ii) first ranking pledge of the shares in each Sergel Entity, iii) first ranking pledge over the shareholder loans, and iv) the MB Service Agreements Pledge Agreement
Volume	SEK 550 million (SEK 440 million outstanding after SEK 110 million amortisation in April 2021)
Total Framework	SEK 1,000 million, subject to incurrence test
Denomination	SEK 1,250,000 (SEK 1,000,000 post amortisation in April 2021)
Tenor	3 years
Early redemption	Callable at 106% together with remaining interest payments during the first 24 months, 103% after 24 months, 101.5% after 30 months and 100% after 33 months with new market loans
Coupon	3m STIBOR +600bps (+700bps after amendment 2021)
Change of control	101%
Use of proceeds	Refinancing and general corporate purposes
Amortisation	Voluntary 10% p.a. @ the lower of 103% and the applicable call option premium
Maintenance covenants	<ul style="list-style-type: none"> Interest Coverage Ratio exceed 2.5x (Pre amendment and after 1 April 2022) Net Interest-Bearing Debt / EBITDA not greater than 3.75x (Pre amendment and after 1 April 2022) Cash and Cash Equivalents on balance no less than SEK 20 million
Incurrence test	Net Interest-Bearing Debt / EBITDA not greater than 2.5x
Distributions	Up to 50% of net income, subject to incurrence test
Repayment of Shareholder loan	Permission to make a repayment of the Shareholder Loan in a maximum amount equal to SEK 100,000,000 provided that (i): such repayment is made not earlier than five (5) Business Days, and not later than fifteen (15) Business Days, after the First Issue Date and (ii) such repayment is funded by existing liquidity
Information undertaking	
Trustee	Nordic Trustee
Jurisdiction	Swedish law
Listing	Regulated market within 6 months. Best efforts to list on MTF or regulated market within 30 days, put option if not done within 60 days

Proposed amendments

Maximum SEK 401 million (maximum SEK 363.5 million after amortisations)

Extension of the Bonds by 12 months, with a new final maturity date being 9 July 2023

Callable at 100.25% during first 3 months after the extension date, 100.5% during month 3-6, 100.75% during month 6-9 and 101% during month 9-12

Mandatory partial redemptions of SEK 12.5 million on 9 October 2022, 9 January 2023, and 9 April 2023 at prevailing call premium

- Interest Coverage Ratio exceed 2.5x
- NIBD / EBITDA not to exceed 3.75x between and including 1 April 2022 – 30 September 2022 and 3.50x during the rest of the tenor
- Cash and Cash Equivalents on balance no less than SEK 20 million

The Issuer is obligated to have quarterly calls with bondholders incl. a Q&A session (subject to restrictions pursuant to e.g. MAR and Nasdaq requirements)

Key terms in summary for the subordinated bonds

Issuer	Legres AB (publ)
Status	Subordinated unsecured
Initial volume	Maximum SEK 60 million (SEK 40 million have been pre-committed by related parties of which SEK 39 million are paid for by way of exchanging Bonds to new subordinated bonds)
Nominal amount	SEK 1,250,000
Tenor	1.5 years
Coupon	9%, PIK interest
Amortisation	No amortisation
Call structure	Callable at 100% of par after existing senior secured bonds have been fully redeemed (plus accrued interest)
Put options	No put option
Maintenance covenants	No financial covenants
Governing law	Swedish law
Listing	No listing
Trustee	Nordic Trustee

02

Company intro

Credit highlights

- | | |
|--|--|
| <div style="background-color: #002060; color: white; padding: 10px; margin-bottom: 10px;"> I
 A full-service (CMS) credit management services player </div> | <ul style="list-style-type: none"> ▪ The service offering of Sergel covers the entire value chain of credit management services, from pre-collection services (credit decisions, accounts receivable and messaging services) to past-due debt collection, making it a one-stop shop for clients |
| <div style="background-color: #002060; color: white; padding: 10px; margin-bottom: 10px;"> II
 A capital-light, sticky and resilient revenue base </div> | <ul style="list-style-type: none"> ▪ As a pure credit management service business, of which third-party debt collection accounts for ~2/3 of revenues, the company has a capital-light and resilient business model ▪ Customer contracts and relationships, also tend to be long given the high switching costs due to high customer integration on systems and procedures. The average length of client relationships is ≥ 5 years, and more often this end up being 10-15 years |
| <div style="background-color: #002060; color: white; padding: 10px; margin-bottom: 10px;"> III
 Well-positioned to capitalise on the attractive Nordic CMS market </div> | <ul style="list-style-type: none"> ▪ Sergel has a Nordic-only focus and benefits from the creditor-friendly environment in the Nordics with a well-developed and favourable legal framework for collection of past due claims, as well as sound and well-functioning economies ▪ The company is a trusted service provider in the industry and enjoys excellent customer satisfaction, reflected in ratings ▪ In 2019-2021, Sergel invested heavily in its core collection system in Finland and Sweden, and is now ready to capitalise on the investments |
| <div style="background-color: #002060; color: white; padding: 10px; margin-bottom: 10px;"> IV
 Healthy cash conversion and a strong deleveraging profile </div> | <ul style="list-style-type: none"> ▪ Leverage level is moderate at 3.1x as of LTM Q1'22, having come down from 4.1x in 2021 with declining capex level and increasing EBITDA ▪ Guides for SEK 18m in capex related to intangibles in 2022 (core collection system), expects running level of ~SEK 10m within two years (vs. ~SEK 45m 2021, ~SEK 42m 2020 and ~SEK 57m 2019. These investments are expected to facilitate increased revenue and profitability ▪ A healthy normalised cash conversion LTM Q1'22 of ~50%¹, back to the levels seen in 2019 and 2020 |
| <div style="background-color: #002060; color: white; padding: 10px; margin-bottom: 10px;"> V
 Strong management team and supportive owner </div> | <ul style="list-style-type: none"> ▪ Strong management team with extensive industry experience from debt collection and finance ▪ Supportive long-term owner, seasoned in banking and finance, and with a history of contributing capital ▪ Zostera AB controls 100% of the shares in the issuing entity |
| <div style="background-color: #002060; color: white; padding: 10px;"> VI
 Solid and longstanding relationship with Telia </div> | <ul style="list-style-type: none"> ▪ Initially founded as the in-house collection business of Telia in 1988, sold to Zostera AB (former Marginalen Group AB) in 2017 ▪ Extensive business with Telia across all services but Accounts Receivable. Telia accounts for ~30% of 2021 revenues spread across multiple separate contracts in all Nordic countries with different terms and conditions. Apart from the Accounts Receivable agreement which ended October 2020 (insourced by Telia), other agreements have usually either been extended and/or expanded, while new agreements have also been signed |

Source: Company info

Note: 1. calculated as adj. FCF to adj. EBITDA. Adj. EBITDA as per company definition; reported EBITDA less IFRS16 and NRIs, while adj. FCF is calculated as FCF adjusted for the difference between reported intangibles capex (related to development of the core collection system in Finland and Sweden) and normalised level at ~SEK 10m

Sergel at a glance

Overview

- Sergel is one of the leading credit management services players in the Nordics and provides services across the entire credit life cycle; **1. Credit Decision, 2. Accounts Receivable, 3. Debt Collection**, and digital messaging services and mobile invoicing through **4. Connect**
- Sergel does not acquire or own any past due debt, but do provide services supporting debt purchase. The business is a pure capital-light servicing business with sticky revenues, where debt collection is the very backbone
- The company focuses on serving clients in transaction-intensive industries e.g., banking and finance, insurance, utilities, retail and telecom
- Sergel started out as Televerket's (now Telia) in-house collection department in 1988 and was sold to Marginalen Group AB (now Zostera AB) in 2017. Today, the company has around 330 employees and ~900 customers
- It has a strong and longstanding relationship with most of its customers, including Telia, as well as long customer contracts in general. The average client relationship lasts ≥ 5 years, and more often end up lasting 10-15 years

Key metrics

SEK 714m

Revenue
LTM Q1'22

SEK 120m

EBITDA¹
LTM Q1'22

~17%

EBITDA¹ margin
LTM Q1'22

~3.1x

NIBD/adj. EBITDA²
LTM Q1'22

~3.0x

Interest coverage ratio³
LTM Q1'22

~10-15 years

Typical length of a
client relationships

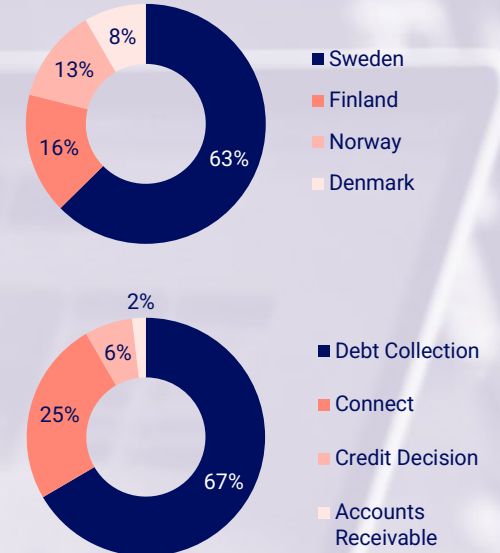
Geographical footprint

 **Sergel offices**

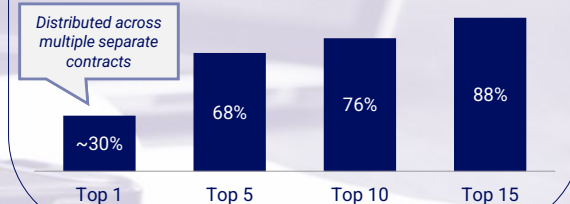

Selected customers



Revenue split 2021



Customer concentration (% of 2021 revenue)⁴



Source: Company info

Note: 1. Reported EBITDA adj. for NRIs of ~SEK 4m in costs, 2. NIBD calculated as long-term and short-term interest bearing debt (excl. IFRS16) less cash and cash equivalents, Adj. EBITDA as per company definition; reported EBITDA less IFRS16 and NRIs, 3. calculated as ratio of adj. EBITDA to net finance charges (relating to bond), 4. note that several of the larger customers have a group structure where e.g. individual countries have individual contracts, hence, concentration based on individual customers is lower (e.g. the largest individual customer accounts for ~11-12% of 2021 revenue)

Customer overview

Selected clients



~10-15 years
Typical length of client relationship

SEK >10m
Size of largest contract

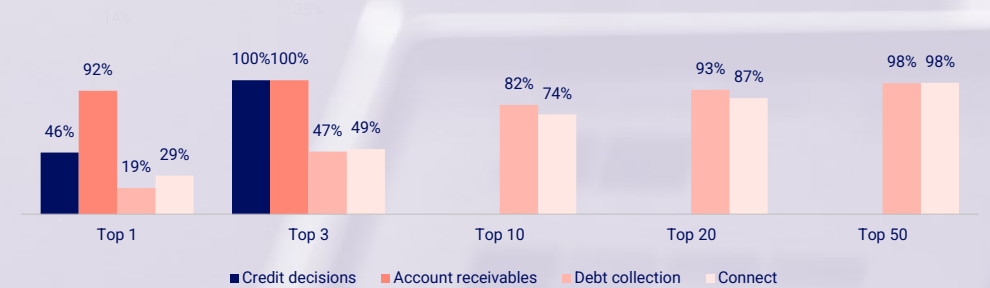
SEK ~0.75m
Average contract size

~3-5 years
Spinoff period in case of contract termination

Number of clients per segment



Revenue from top clients



Industry diversification¹



Overview of largest contracts and structure



Contract structure

Background

- Sergel have a well diversified contract structure distributed over different geographical markets and service areas
- This reduces the Company's exposure to individual customers and provides Sergel with stable and predictable cash flows
- In addition, the Company's largest customers are well diversified in terms of various sectors ranging from telecom to the public sector with high credit worthiness

Contract structure

- Contracts typically runs according to industry standards with a duration of at least 12 months from signing and are thereafter prolonged on a yearly basis
- Several of Sergel's largest contracts have a duration of approximately 18 months
- The initial contract signed for larger clients tend to be 1-3 years in length, before transitioning to annual contracts

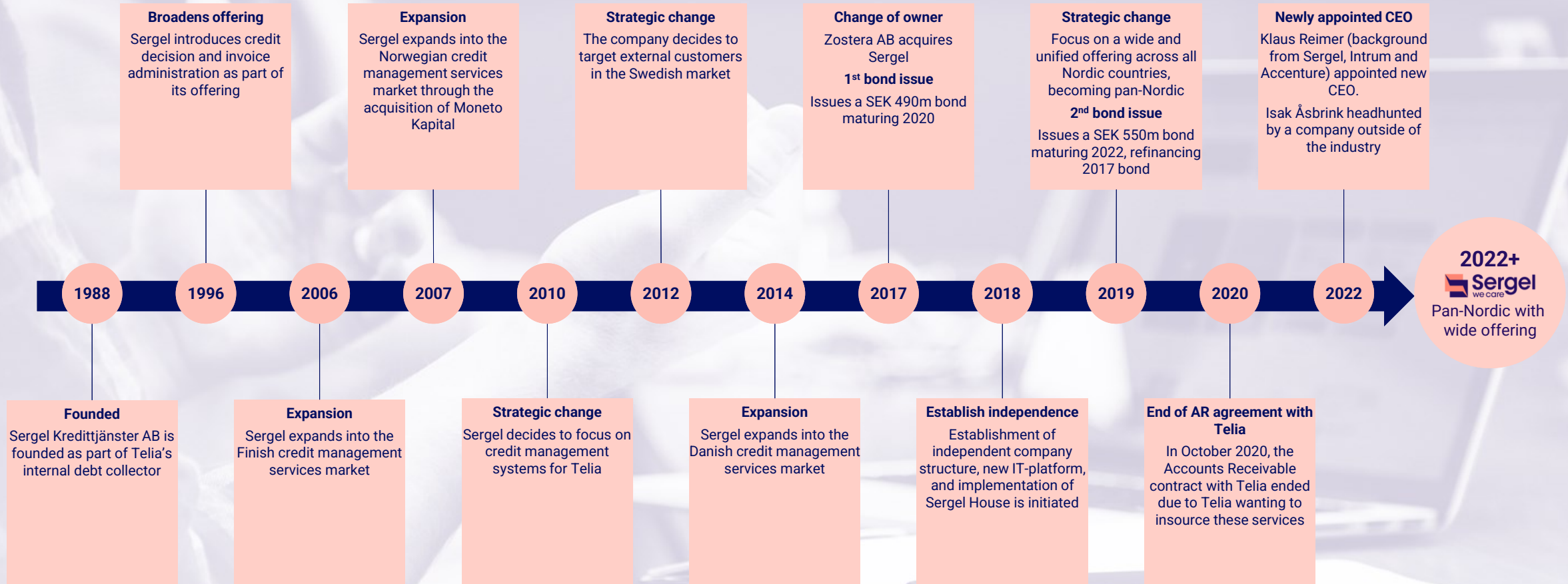
Current status

- Sergel is currently negotiating the renewal of two contracts with a combined revenue of approximately SEK 100 million¹. Parties have agreed on commercial terms and are currently finalising legal details
- The new contracts are expected to have a duration of 18 months from signing and expires on 31 December 2023, whereafter the contracts will run until terminated with 6 months notice. Termination is normally not to end the cooperation but to renegotiate terms and conditions

Source: Company info

Note: 1. 2021 management accounts

From in-house collector to pan-Nordic credit management player



Development since last bond issue – 2019-2022

2019

- Sergel issues senior secured bonds amounting to SEK 550 million with maturity in July 2022
- Net proceeds from the bond issue to be used for refinancing of Sergel's 2017 bonds
- Revenues at SEK 826m, with Teila accounting for 48%. NIBD/adj. EBITDA at YE'19 calculated at 2.4x

2020

- Decrease in private consumption and thus new business volumes following Covid-19, leading to an industry-wide decline in debt collection revenues
- Regulatory changes in Norway (fast-tracked due to Covid, but work started in 2018), adversely affecting collection fees
- Expiration of Accounts Receivable contract with Telia in October 2020

2021

- Obtains approval for written procedure in January 2021, leading to an amortisation of Sergel's existing bonds in the amount of SEK 110 million
- First Swedish debt collector company to sign a sustainability initiative based on "science-based targets"
- Decline in revenues due to expiration AR contract with Telia, regulatory changes in Norway and Covid-19

2022

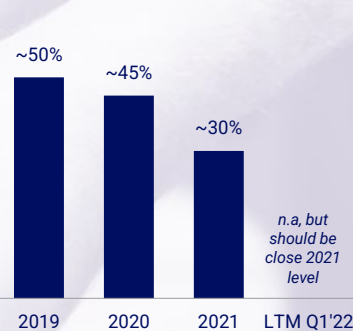
- Klaus Reimer appointed new CEO, replacing Isak Åsbrink who is joining a company outside of the industry
- Leverage ratio down to 3.1x due to increasing EBITDA and a decreasing capex level

Development of key metrics

Revenue

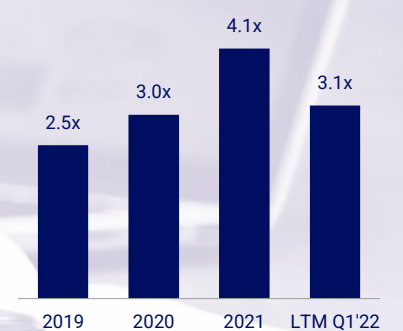


Telia's share of revenue


Adj. EBITDA¹

NIBD²


NIBD/adj. EBITDA



Source: Company info

Note: 1. Adj. EBITDA as per company definition; reported EBITDA less IFRS16 and NRIs. Figure on above columns in the third chart, represents adj. reported EBITDA (adj. for NRIs, ~SEK 4m one-off costs), 2. calculated as long-term and short-term interest bearing debt (excl. IFRS16) less cash and cash equivalents

03

Business overview

Sergel's service offering – covering the entire CMS value chain

Overview

- Sergel has a holistic credit management services offering (CMS), covering the entire value chain from the initial credit decision and receivables management, to hands-on debt collection of past due claims, as well as supporting on debt purchase deals. Sergel does not acquire or own any past due debt, the business is a pure servicing business
 - The company focuses on serving clients in transaction-intensive industries e.g., banking and finance, insurance, utilities and telecom
 - The large amount of proprietary credit and collection data enables Sergel to provide accurate and reliable credit scoring models and solutions to its clients
 - Has invested heavily in its current core collection system in Sweden and Finland during 2019-2021, enhancing quality, efficiency and client satisfaction
 - Long-standing relationship with Telia and most of its customers in general. The typical client relationship often end up being 10-15 years
- In addition, Sergel has a digital messaging service, which offers billing services, mobile invoicing and payments, as well as message distribution and campaigns

Offering by markets

				
 Debt collection	✓	✓	✓	✓
 Connect	✓			
 Credit Decision	✓	✓		✓
 Accounts Receivable	✓	✓		✓

Credit Decision	Accounts Receivable	Debt Collection	Debt Purchase	Connect
<ul style="list-style-type: none"> Credit check and scoring models Credit monitoring and decisions Customer validation and automatic credit system 	<ul style="list-style-type: none"> Ledger services and reporting Payment plans, reminders and payment matching Customer support 	<ul style="list-style-type: none"> Collection and debt surveillance Payment plans and debtor support / advisory Legal services Servicing debt purchase 	<ul style="list-style-type: none"> Acquisition of non-performing debt, both one-off acquisitions and forward flow (committed levels at predetermined prices and volume) 	<ul style="list-style-type: none"> Billing services and message distribution Mobile payment and SMS invoicing Global messaging campaigns
Credit Management Services in Sergel			Several financing partners	Connect in Sergel

Customer value proposition:

✓ Controlled credit risk	✓ Customer retention
✓ Reduced credit losses	✓ Increased cash flow
✓ Improved cost-efficiency	✓ Enhanced quality

Debt Collection – third-party collection, capital-light and sticky

Description and revenue model

- Traditional collection of outstanding claims (past due) on behalf of third-parties, referred to as debt collection, constitutes the majority of revenue and is the very backbone of Sergel's business today
- This is a capital-light business and does not entail any ownership of debt. In addition, debt collection is typically characterised by long-term customer relationships, as switching costs tend to be high. Systems and processes are often deeply integrated between end-customers and debt collectors. In addition, the spinoff period following ending contracts is often as long as 3-5 years
- Most common to use a "no cure – no pay" structure, thus no revenue unless Sergel succeeds to collect the claim. Most revenue is paid by end-customers via fees, of which the structure depend upon local legislation and regulations (e.g., on reminders, collection fees etc.)

Services



Debt surveillance



Legal services



Servicing debt purchase deals



Collection

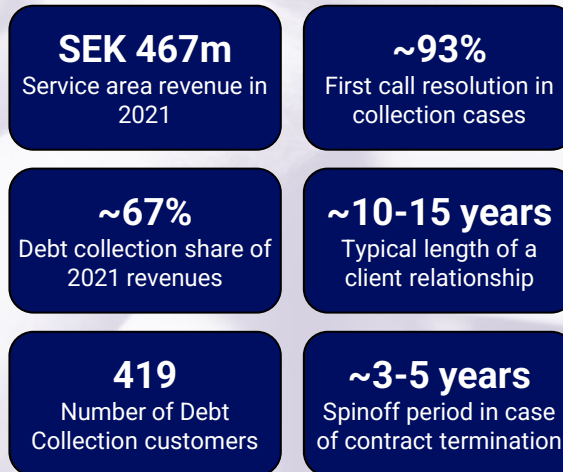


International collection



Payment plans

Key stats

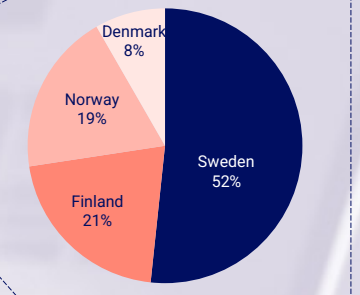


Development and contribution by geography

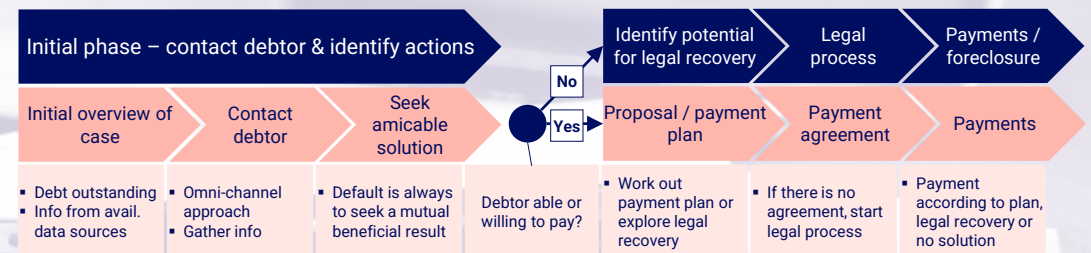
SEKm	2019	2020	2021
Sweden	221	174	241
Finland	116	114	98
Norway	158	133	89
Denmark	42	47	39

Main development drivers:

- Regulatory changes in Norway during 2020 with full effect vs. 2019 seen in 2021
- System change at one larger customer in Sweden led to volume decline in 2020
- Covid-19 dampened new flow of volumes



The collection process:



Connect – content billing and SMS distribution services

Description and revenue model

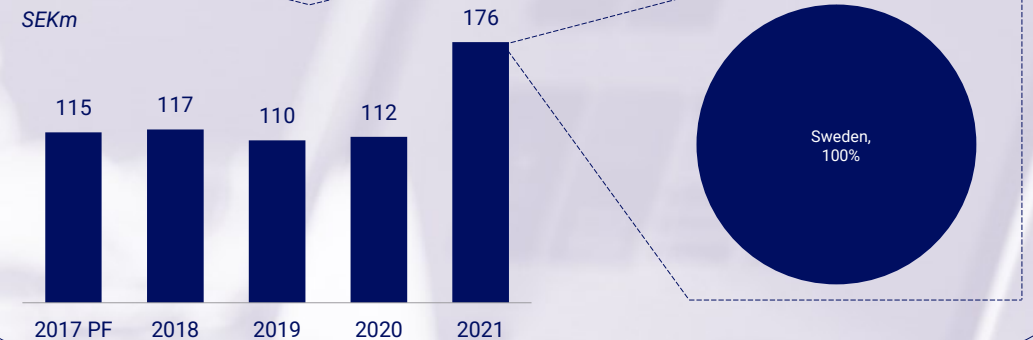
- Through its digital payment- and messaging services, Sergel provides content billing and SMS distribution services. The services entails individual messaging, campaign messaging in bulk and globally, invoicing and payment via SMS and phone bills
- Sergel acts as an intermediary between the content provider and the operator billing the end customers
- Services are delivered via a commission-based fee structure where the content provider pays a percentage of the invoiced amount

Development and contribution by geography

SEKm	2019	2020	2021
Sweden	110	112	176

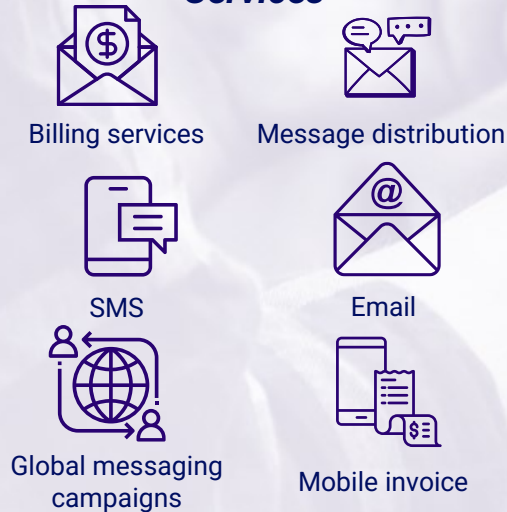
Main development drivers:

- A 56% y-o-y growth in revenue during 2021, benefitting from increased digitalisation in society and demand for automated services, this was only fuelled further by Covid-19



Services

Key stats



SEK 176m

Service area revenue in 2021

100%

Revenue contribution from Sweden

~25%

Connect share of 2021 revenues

~56%

Y-o-y growth in revenues 2021

473

Number of Connect customers

~10-15 years

Typical length of a client relationship

Credit Decision – helping clients balance profitability and risk

Description and revenue model

- In brief, Sergel seeks to predict who will be likely to pay their invoices and who won't. This is done by combining credit information, the respective client's customer insight and data, with Sergel's analytical knowledge to provide scoring solutions and credit information. Sergel manages a proprietary database to support new credit decisions and is a licensed credit check company in both Sweden and Norway. In Sweden, Sergel has a fully functioning automatic credit system almost solely for Telia
- Similar to Accounts Receivable, contracts typically specify a service package incl. service level agreements and KPIs, and are invoiced on a recurring monthly basis, but often these vary due to the number of requests. Some consultancy work can be added, leading to non-recurring invoicing
- Some tasks are paid per action, but most are paid as a fixed fee level. The revenue structure consist of a fixed price for use of the platform in combination with a variable cost per credit decision

Services



Credit check



Scoring models



Credit monitoring



Credit decision



Customer validation



Automatic credit system

Key stats

SEK 46m

Service area revenue in 2021

~46%

Revenue contribution from Sweden

~6%

Credit Decision share of 2021 revenues

~6m

Credit decisions

3

Number of Credit Decision customers

~10-15 years

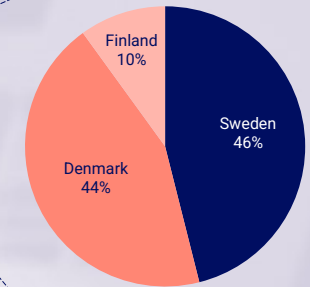
Typical length of a client relationship

Development and contribution by geography

SEKm	2019	2020	2021
Sweden	23	24	21
Denmark	21	21	20
Finland	5	5	5

Main development drivers:

- Fairly stable development in recent years, has seen a revenue CAGR of ~0% from 2017 to 2021. Telia accounts for the majority of revenue in Sweden



Accounts Receivable – handling the entire lifecycle of receivables

Description and revenue model

- As part of its Accounts Receivable offering, Sergel delivers payment processing services throughout the lifecycle of receivables, meaning before, in connection with and after the due date. These services entail date reminders, payment plans and matching, ledgers and customer support, all to enable efficient and smooth handling of receivables and payments
- Contracts typically specify a service package incl. service level agreements and KPIs, and are invoiced on a recurring monthly basis. Some consultancy work can be added, leading to non-recurring invoicing
- Some tasks are paid per action, but most are paid as a fixed fee level based on pre-determined activity / volume levels

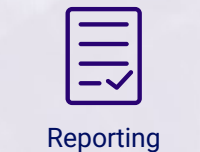
Services



Ledger services



Payment plans



Reporting



Reminders

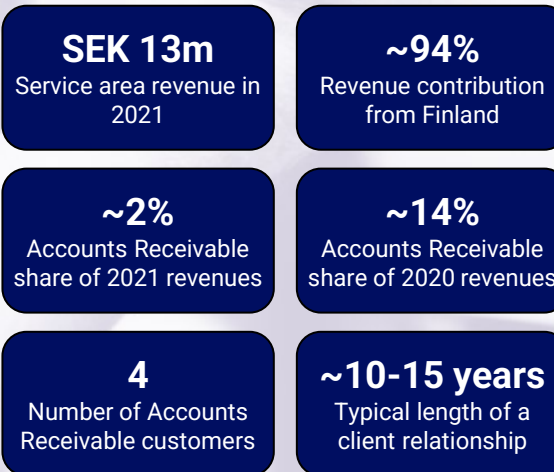


Payment matching



Customer support

Key stats



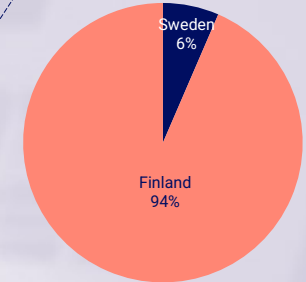
Development and contribution by geography

SEKm	2019	2020	2021
Sweden	115	83	1
Finland	16	15	12

Main development drivers:

- Development explained by the loss of Telia contract in Oct 2020. Since 2017, Telia has insourced Accounts Receivable mgmt. to increase control*

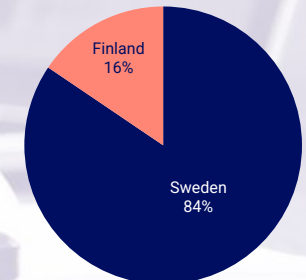
SEKm



The Telia contract*

- Historically, Telia has accounted for the majority of revenue within this service area, before the agreement ended in October 2020. The reason for this is that Telia since 2017 has insourced accounts receivable management to increase internal control

Contribution in 2020

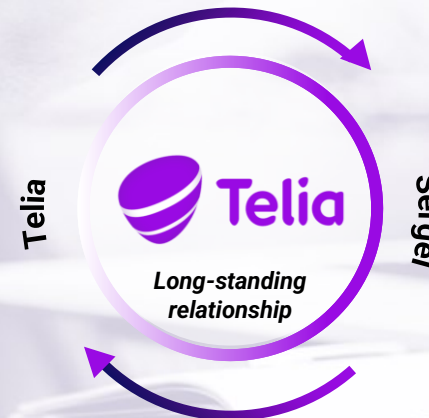
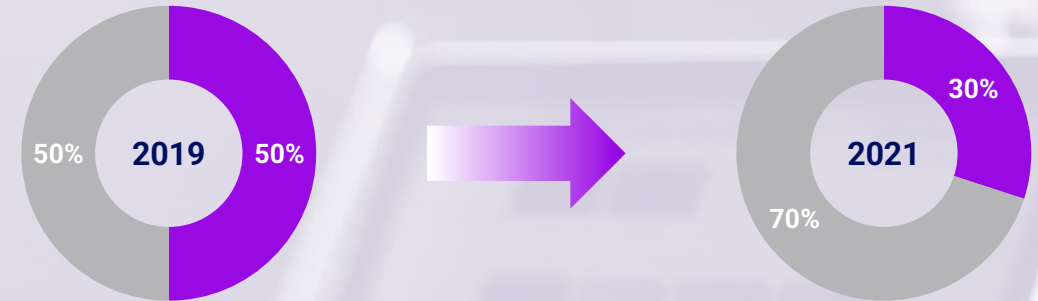


Highly integrated with Telia, having served them since 1988

Telia relationship

- Zostera acquired Sergel from Telia back in 2017, as the collection business was considered a non-core business within Telia
- Although considered “non-core business”, it was plausible that Telia was planning to pursue certain insourcing to increase control. One area that the insourcing affected was the AR which lead Sergel to lose one of its contracts with Telia
- Due to Sergel’s deep relationship with Telia dating all the way back to 1988, all other agreements remains strong and there has been no indications of Telia pursuing further insourcing of services
- As demonstrated below, Sergel has significant stickiness in their offering due to its close collaboration with Telia meeting on an operational level approximately 4-12 per annum. Sergel is highly integrated with Telia on systems and processes, having served them since 1988

Strong relationship but less dependent¹



Services

- Debt collection**
- Connect**
- Credit decision**

Key stats

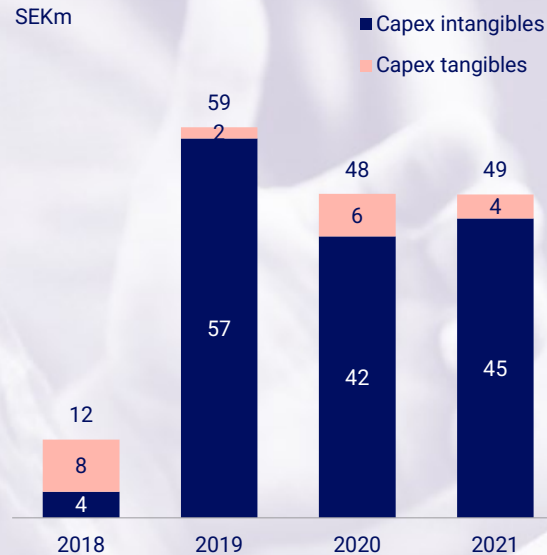
~30%
FY21 revenue contribution

4
Number of active markets for Telia

3
Number of services provided

Investments in core collection system– reaping the benefits

Historical capex



- In the period 2019-2021, Sergel has invested heavily in developing its core collection system in Sweden and Finland. Development of the system is now close to finalised
- The intangibles capex in this period is mainly driven by these investments

Benefits



Enhanced efficiency in collection



Improved collection outcome



Better operational control



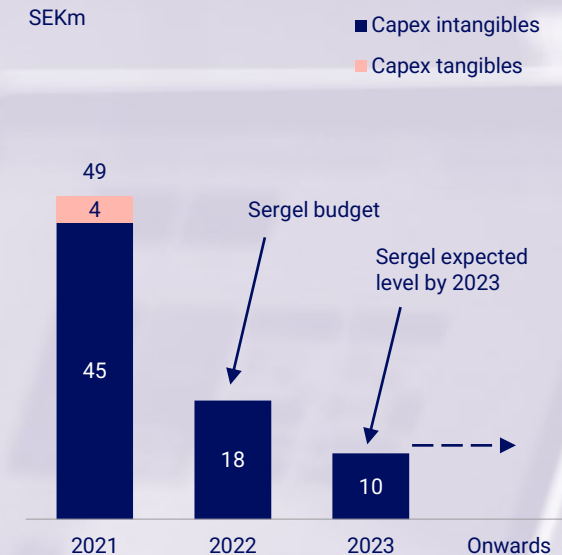
Higher customer satisfaction



Higher profitability

- This is expected to improve profitability and customer satisfaction through enhanced efficiency in collection, better quality and control, as well as improved collection outcome

Capex outlook



- Capex is budgeted to decrease significantly in 2022 vs. 2021, as the development of the core collection system is close to finalised
- Development capex relating to the core collection system is budgeted at SEK 18 million for 2022. This should over time approach SEK 10 million (expected by 2023)
- Intangibles capex was SEK 3.5 million and tangibles was SEK 6.1 million in Q1'22

04

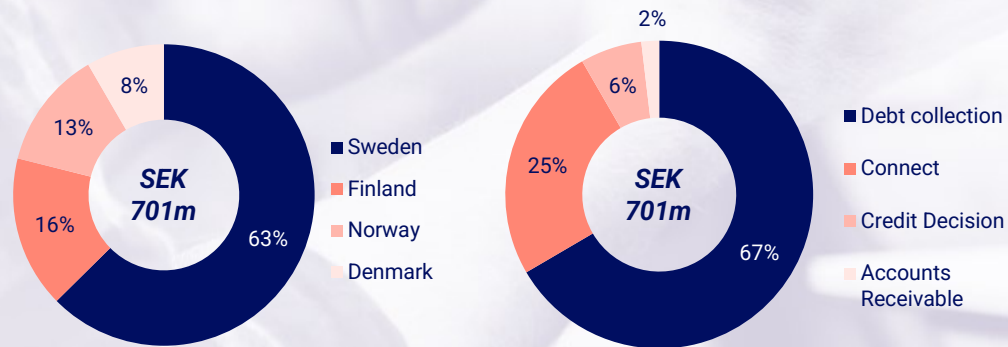
Market overview

Strong platform to capitalise on the attractive Nordic CMS market

Nordic market characteristics

- Well developed credit markets with consumers custom to using credits and with a culture to repay outstanding debt
- Favourable legal framework with strong creditor protection, suitable for debt collection
- Fairly mature market with strong local players and some larger international players, some consolidation taking place (e.g., merger of Kreditor and Mohdi Finance in Norway)
- Sergel stands out as the only Nordic-focused CMS player with presence throughout the CMS value chain and presence in all of the Nordic markets
- The CMS market in 2020 and 2021, has been adversely impacted by Covid-19 and regulatory changes in Norway, conditions are now starting to normalise in the Nordics

Revenue split Sergel 2021



Competitive landscape

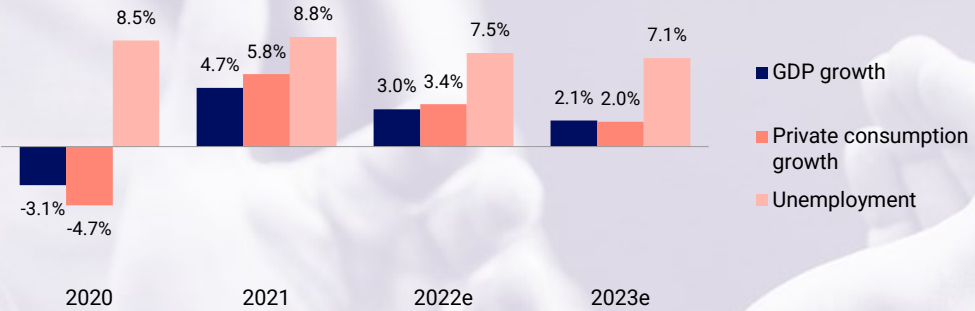


Service offering of key peers¹

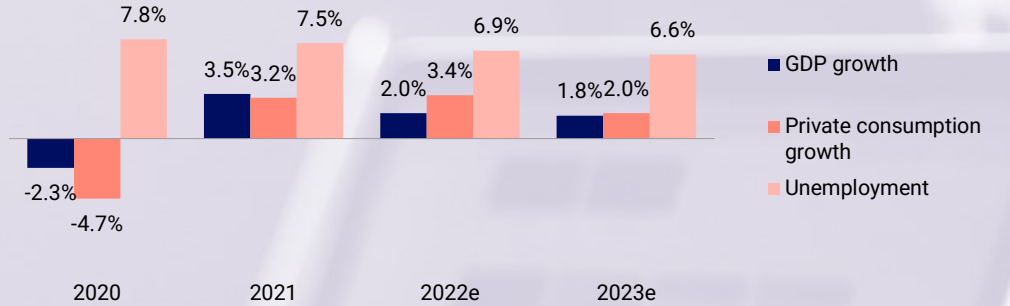
		Sergel	intrum	Lowell	SVEA	ALEKTUM GROUP	Kreditor
HQ		SE	SE	UK	SE	SE	NO
Revenue (SEKm)		SEK 714m ²	SEK 17,789m	SEK 10,776m	SEK 3,609m	SEK 1,357m	SEK 1,023m
Products	Credit decisions	✓	✓	✓	✓	✓	✓
	Account receivables	✓	✓	✓	✓	✓	✓
	Debt collection	✓	✓	✓	✓	✓	✓
	Payment & communication	✓	✗	✗	✗	✗	✗

Market fundamentals for the Nordics

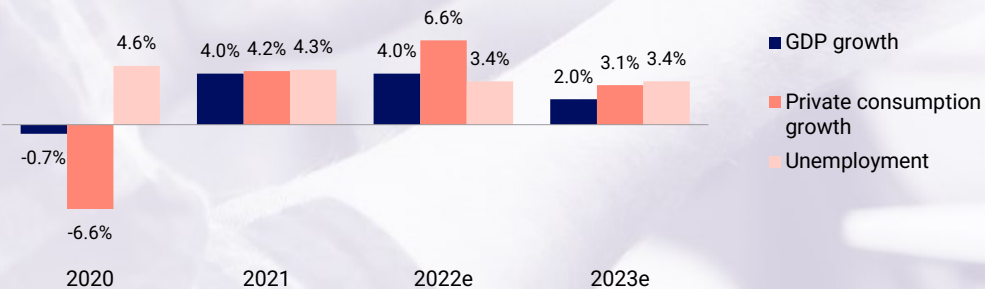
Sweden



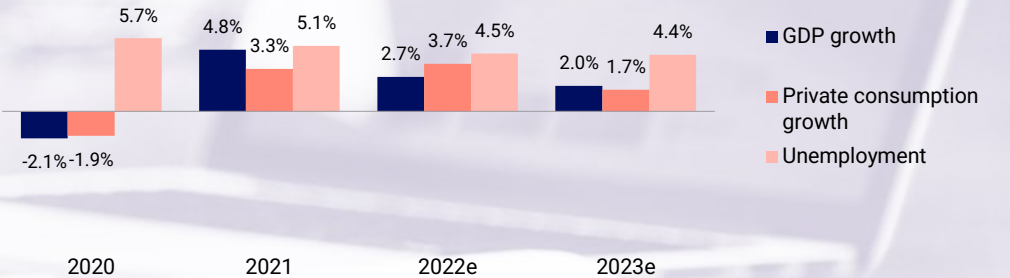
Finland



Norway



Denmark

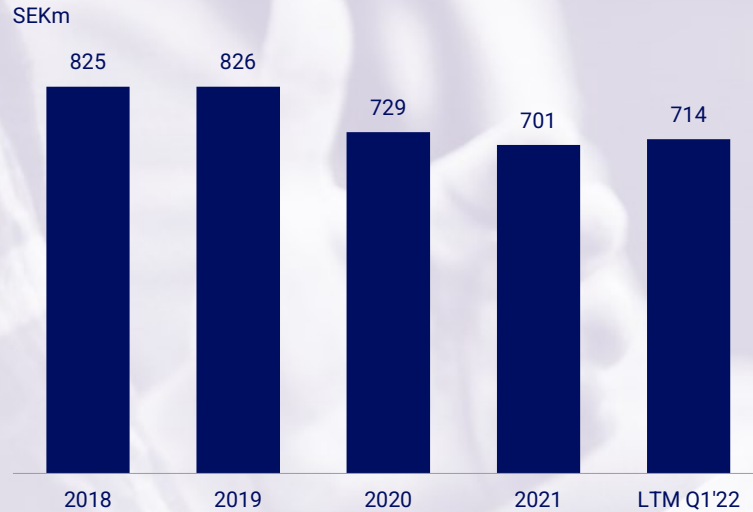


05

Financial performance

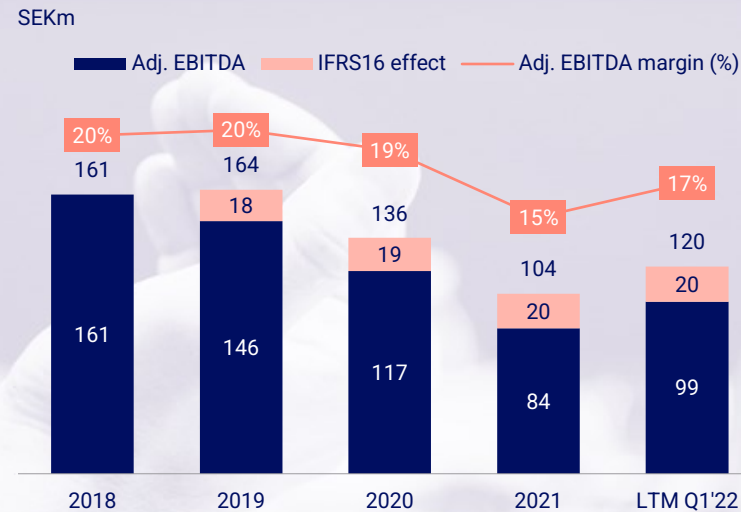
Returning to growth and margin expansion, having bottomed-out in 2021

Revenue development



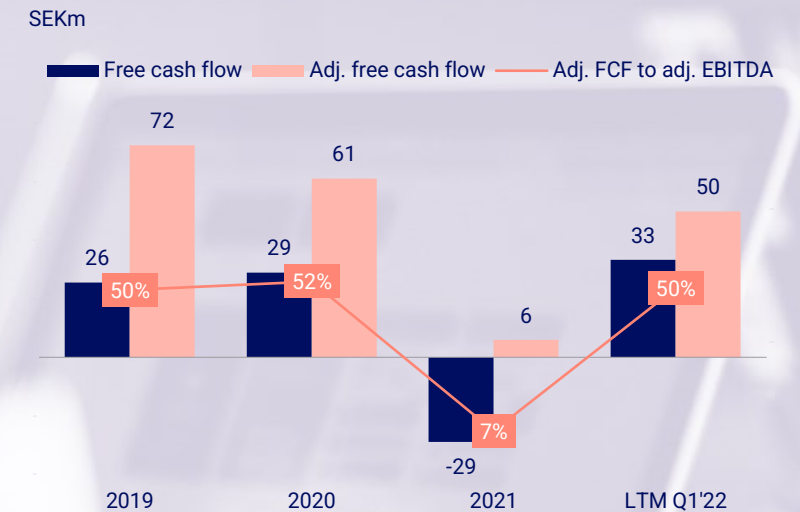
- The negative trend of declining revenue has shifted, and the business has returned to growth following negative impact from Covid-19, as well as regulatory changes in Norway; which adversely affected collection revenues in 2021. On top of this, the Accounts Receivable agreement with Telia ended in October 2020, as Telia wanted to insource these services
- The growth LTM has been driven by increasing volumes in debt collection and settlement with a customer in Finland
- Sweden has increased due to an increasing volume from existing and new customers, especially in Connect

Adj. EBITDA¹ & margin (%)



- The decreasing profitability trend has turned as well, with adj. EBITDA LTM Q1'22 being up ~19% vs. 2021, driven by growing revenue and an increasing EBITDA margin
- Costs have also decreased y-o-y in Q1, which is mainly due to lower IT costs and slightly lower personnel costs
- In accordance with applicable accounting principles, Q4 2021 and Q1 2022 includes a delayed cash payment from a customer in Finland in the amount of SEK 8 million and SEK 13 million, respectively

Cash conversion²



- Cash conversion based on LTM Q1'22 figures, is back to the levels seen in 2019 and 2020, driven by improving profitability and improved working capital position
- Adj. free cash flow is calculated as free cash flow adjusted for the difference between reported intangibles capex (related to development of the core collection system in Finland and Sweden, already in place in Denmark and Norway) and the assumed normalised level at ~SEK 10m (expected long-term level by Sergel)

Source: Company info

Note: 1. Adj. EBITDA as per company definition; reported EBITDA less IFRS16 and NRIs. Figure on above columns in the second chart, represents adj. reported EBITDA (adj. for NRIs). 2. Adj. FCF calculated as FCF adjusted for the difference between reported intangibles capex (related to development of the core collection system in Finland and Sweden) and normalised level at ~SEK 10m

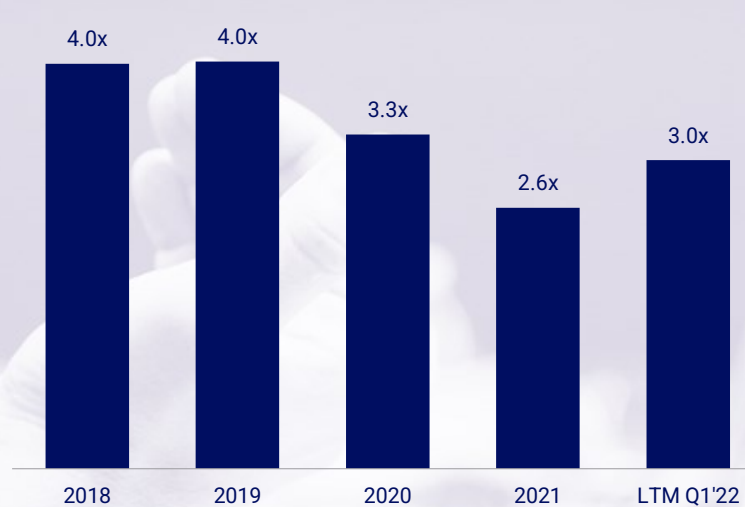
Deleveraging through increasing EBITDA and decreasing capex

NIBD¹ and leverage ratio²



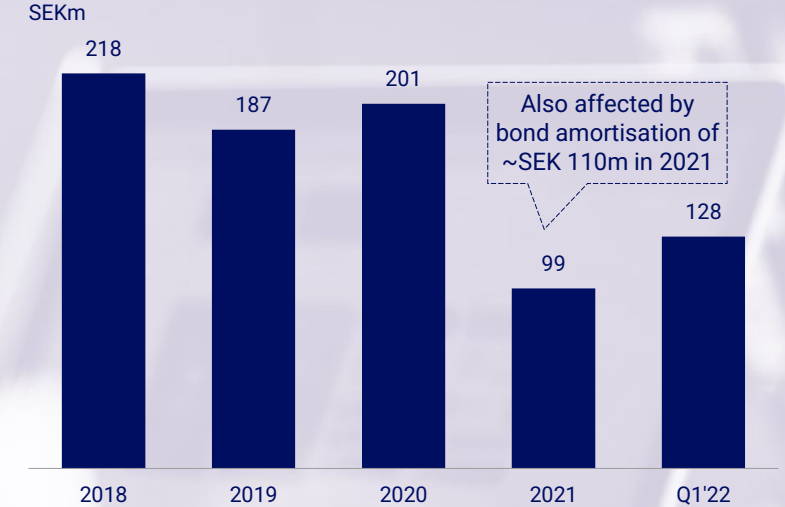
- Significant deleveraging due to increased financial performance LTM Q1'22 vs. 2021, driven by return to growth and a decreasing capex level
- Following a shortfall in adj. EBITDA in 2021 and high development capex (relating to core collection system), the leverage ratio increased from 2.9x in 2020 to 4.1x in 2021 (4.4x incl. pension liabilities). Still, this was well below the amended covenant of 5.5x for Q4'21 (back to 3.75x in Q2'22)
- Based in LTM Q1'22 figures, the leverage ratio is calculated at 3.1x, significantly down from the level in 2021

Interest coverage ratio³



- The interest coverage ratio implies that the company has a good capacity to service its interest payments on the bond loan. The ratio must exceed 2.0x based on the amended terms in 2021 (will be back at 2.5x in Q2'22)
- ICR calculated at 3.0x LTM Q1'22 based on net finance charges LTM of ~SEK 33m and an adj. EBITDA of SEK 99.4m

Cash position



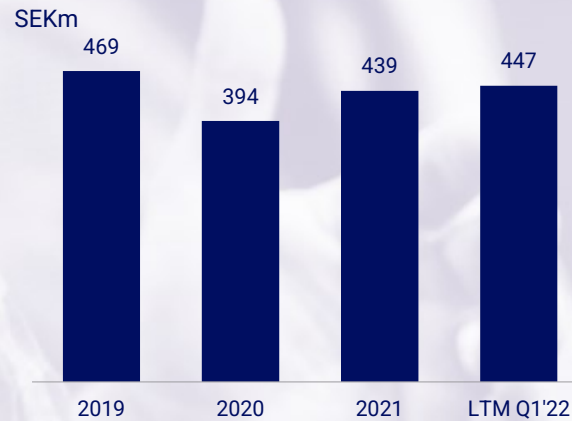
- Due to improved cash flow and significantly lower capex, the cash position has increased by SEK 29m q-o-q in Q1'22 to SEK 128m. The cash position is expected to be positively affected by the significantly lower capex requirement going forward, as the development of the core collection system in Sweden and Finland is now close to finalised
- Hence, Sergel has ample headroom to its cash balance covenant, which stipulates a minimum level of SEK 20m
- The decline in 2021 was largely driven by the ~SEK 110m in bond amortisation

Source: Company info

Note: 1. calculated as long-term and short-term interest bearing debt (excl. IFRS16) less cash and cash equivalents, 2. calculated as ratio of NIBD to adj. EBITDA (EBITDA less IFRS16 and before NRIs), 3. calculated as ratio of adj. EBITDA to net finance charges (relating to bond)

Countries – recent revenue development

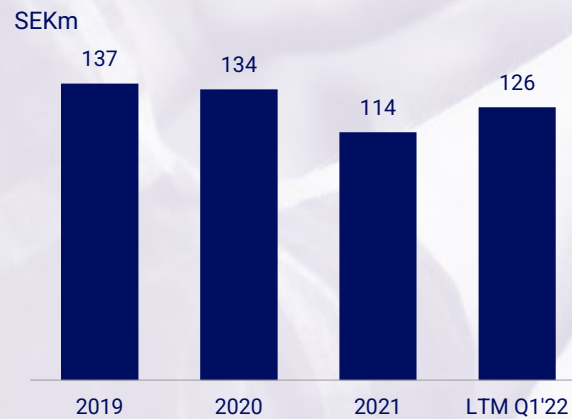
Sweden



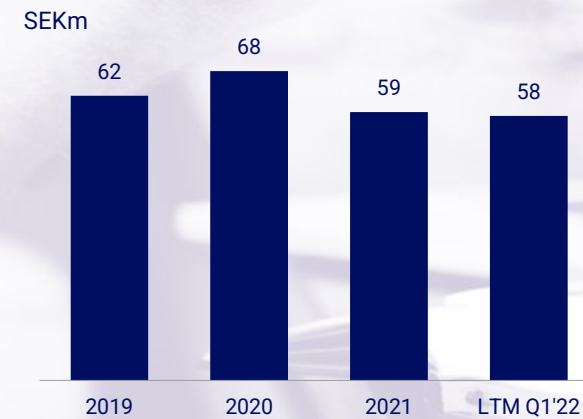
Norway



Finland



Denmark



Description

Sweden

- Sergel's business in Sweden was affected by Telia's decision to not prolong the Accounts Receivable contract. Telia insourced these services gradually and the agreement ended in October 2020
- In 2021, the Segment Connect showed a significant sales increase in Sweden
- Sales in Debt Collection also constituted a large part of the increase in 2021

Norway

- New regulation decreased revenue of debt collection by 30% through lower legislated debtor fees
- Covid-19 affected sales strongly through less commerce and companies' aversion to offer credit

Finland

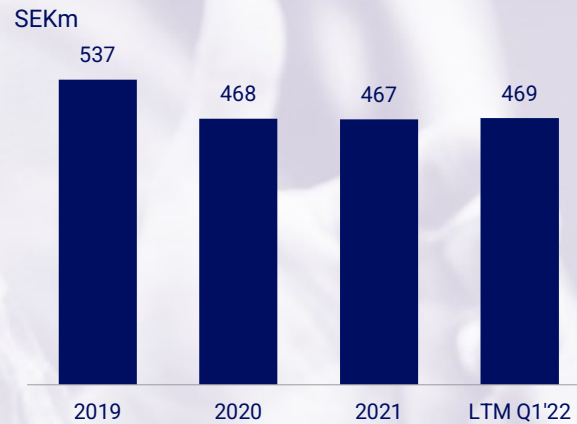
- Y-o-y development in Q4'21 and Q1'22 has been quite strong, driven by growth with existing customers, new volumes in collection and settlement with one customer

Denmark

- Higher revenue in 2020 within Debt Collection due to increased efficiency towards end-customers
- Efficient handling of Covid-19 in combination with newly signed contracts minimised downside in 2021

Segments – recent revenue development

Debt collection



Accounts receivable



Description

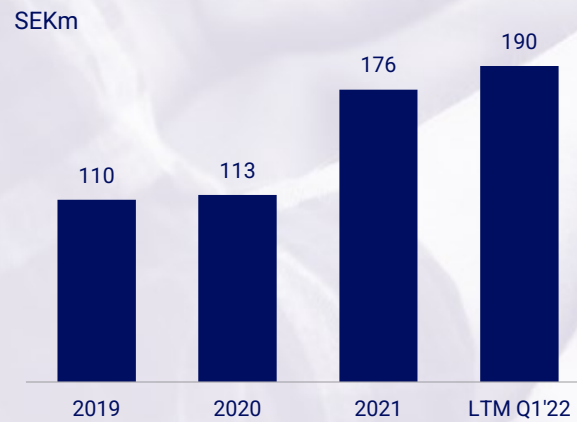
Debt collection

- Due to Covid-19, consumption and credit growth decreased significantly resulting in lower volumes in 2020 and 2021
- New regulation in Norway decreased revenue from the debt collection segment, 2021 fully reflect these changes
- In Q1'22, Sergel experienced increasing volumes in debt collection

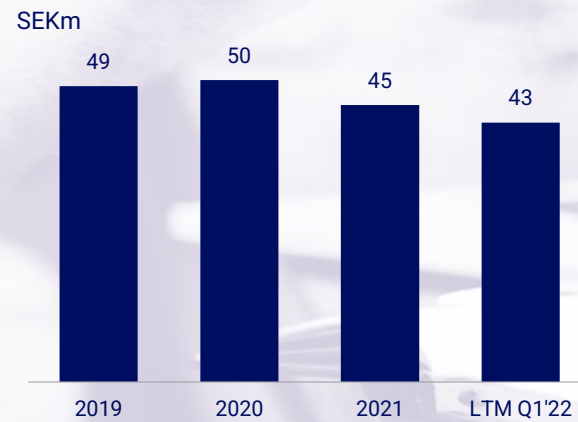
Accounts receivable

- Telia's decision to not prolong account receivables contract resulted in a decreased revenue in 2020 and 2021
- Telia insourced the AR service in order to increase internal control
- The expired agreement stems from the period when Telia owned Sergel

Connect



Credit decisions



Connect

- As a consequence of Covid-19, SMS-volumes and number of customers increased in 2020 and 2021, still growth has remained strong, and the positive trend has continued in Q1'22
- Covid-19 has only accelerated the need for mobile payment- and messaging services

Credit decisions

- Improvements in the BI & analytics and Data Science activities enabled better and more efficient reports of credit decisions

Revenue and EBITDA bridge – 2019-2021



Description

Revenue 2019-2020

- Decline primarily driven by lower debt collection revenues due to Covid-19 and loss of the Accounts Receivable contract in Sweden (Telia contract), as well as significant FX-effects

Revenue 2020-2021

- Decline driven primarily driven by loss of the Telia contract in Accounts Receivable and regulatory changes in Norway which adversely affected debt collection revenue (lowered fees)
- Strong growth within Connect driven by increased demand for messaging services, as well as revenue growth in Sweden, contributed positively during 2021

EBITDA 2019-2020

- Decline driven largely by loss of Accounts Receivable contract and FX, while growth in Denmark contributed positively

EBITDA 2020-2021

- Development explained by loss of Accounts Receivable contract in Sweden and regulatory changes in Norway which adversely affected debt collection revenues and margin
- Overall revenue growth in Sweden contributed positively in 2021

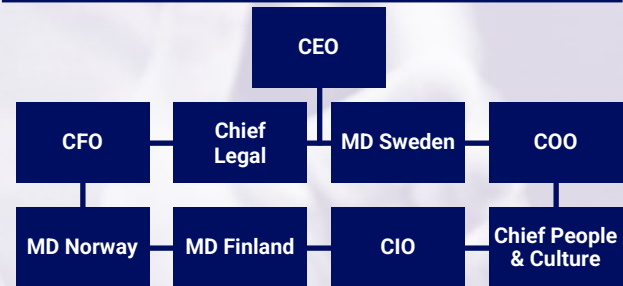


Appendices and risk factors

Committed Management Team and Board of Directors

Overview of organisation

Management Team



Klaus Reimer
CEO



Niklas Unden
CFO



Anette Klingensjö
CLCO



Erik Wennhall
MD, Sweden



Laila Svahn
COO



Sven Ingebretsen
MD Norway & Sergel
Finans AS



Kristiina Airaksinen
MD, Finland



Martin Koch
CIO



Anne Kristi Rimeslåtten
Chief People/Culture

Board of Directors



Ewa Glennow
Chairperson



Klaus Reimer
CEO



Per Örtlund
Director

Long-term owners

- Legres is a wholly owned subsidiary of Zostera AB which is a private Group of companies operating within the financial and real estate sector
- Zostera committed SEK 25 million in a shareholder contribution in relation to the Company's written procedure in January 2021 and has in addition also committed SEK 168m in shareholder loans (incl. accumulated interest)
- The significant financial support further emphasizes the owner's long-term commitment to the Sergel
- Zostera reported revenue in 2020 of SEK 873m and net profit of SEK 61m, and owns several real estate assets for approximately ~SEK 2bn as of 2020

Ownership structure



■ Zostera

Income statement

Income statement (SEKm)	2019	2020	2021
Net sales	825.7	728.8	701.3
Production cost	-538.4	-491.1	-503.9
Gross profit	287.3	237.7	197.4
Administrative expenses	-174.3	-159.0	-163.1
Operating results	113.0	78.7	34.3
Financial Net	-83.5	-54.0	-64.3
-Whereof Secured Bonds	-64.5	-38.2	-42.9
-Whereof Shareholder loans	-14.8	-11.7	-12.5
-Whereof other	-4.2	-4.1	-8.9
Result before tax	29.5	24.7	-29.9
Tax	-17.9	-7.0	-9.2
Net result	11.6	17.7	-39.1

	Q1 2021	Q1 2022
	173.5	185.7
	-130.0	-128.7
	43.5	57.0
	-42.0	-41.7
	1.5	15.3
	-18.3	-18.0
	-11.7	-9.8
	-3.0	-3.2
	-3.6	-5.0
	-16.8	-2.7
	3.3	0.5
	-13.5	-2.2

EBITDA	2019	2020	2021
Operating results	113.0	78.7	34.3
Depreciation	51.1	57.7	65.7
IFRS EBITDA	164.1	136.4	100.0
IFRS effect	-18.2	-19.2	-20.0
Pre-IFRS EBITDA	145.9	117.2	80.0

	Q1 2021	Q1 2022
	1.5	15.3
	14.5	16.6
	16.0	31.9
	-5.0	-5.3
	11.0	26.6

Balance sheet

Balance Sheet (SEKm)	2019	2020	2021	Q1 2021	Q1 2022
Assets					
<i>Non-current assets</i>					
Goodwill	302.4	302.4	302.4	302.4	302.4
Other intangible assets	347.3	341.5	340.1	356.9	334.2
Property, plant and equipment	4.6	3.1	1.8	2.9	1.4
Right-of-use assets	109.7	100.4	88.3	96.8	90.1
Other long-term receivables	7.1	5.0	4.7	5.1	5.0
Deferred tax assets	22.4	19.3	12.1	20.9	14.8
Sum of Non-current assets	793.5	771.7	749.4	785.0	747.9
<i>Current assets</i>					
Accounts Receivable	60.0	51.6	65.2	60.4	53.6
Prepaid expenses & Accrued revenues	43.0	49.1	61.1	45.0	50.1
Other receivables	106.1	90.6	99.0	97.0	87.5
Cash & bank	186.6	200.9	99.1	186.4	127.6
Sum of Current assets	395.7	392.2	324.4	388.8	378.9
Sum of Total Assets	1,189.2	1,163.9	1,073.8	1,173.8	1,066.8
Equity	58.8	60.9	62.1	87.5	69.7
Liabilities					
<i>Non-current liabilities</i>					
Provisions for pensions	39.6	37.8	29.8	30.4	25.3
Long-term interest-bearing liabilities	541.4	544.6	-	545.5	-
Subordinated liabilities	140.5	152.2	164.7	155.2	168.0
Long-term lease liabilities	100.7	93.7	84.2	91.1	85.9
Deferred tax liabilities	68.2	53.6	46.7	53.0	45.6
Sum of Non-current liabilities	890.4	881.9	325.4	875.2	324.8
<i>Current liabilities</i>					
Short-term interest-bearing liabilities		-	436.2		438.0
Current lease liabilities	11.9	12.4	12.7	12.2	13.5
Accounts Payable	35.1	44.6	75.6	46.5	67.6
Current tax liabilities	9.2	-	3.9	-	3.2
Accrued expenses & Deferred revenues	96.0	64.1	50.7	58.2	51.3
Other liabilities	87.8	100.0	107.2	94.2	98.7
Sum of Current liabilities	240.0	221.1	686.3	211.1	672.3
Total liabilities	1,130.4	1,103.0	1,011.7	1,086.3	997.1
Sum of Total Liabilities & Equity	1,189.2	1,163.9	1,073.8	1,173.8	1,066.8

Source: Company info

Cash flow statement

Cashflow statement (SEKm)	2019	2020	2021
Operating activities			
Operating result	113.0	78.7	34.3
Adjustments – items not included in the cash flow			
-whereof depreciation	51.1	57.7	65.7
-whereof re-evaluation of net pension	0.2	0.1	-1.5
-whereof other	-	-3.1	2.7
Interest received	3.3	5.4	0.3
Interest paid	-61.6	-44.0	-64.0
Taxes paid	-23.0	-29.5	-5.3
Cash flow from operating activities before change in working capital	83.0	65.3	32.2
Other operating assets (incr- / decr+)	-25.5	21.0	-34.2
Other operating liabilities (incr- / decr+)	26.6	-8.8	21.5
Cash flow from operating activities	84.1	77.5	19.5
Investing activities			
Acquisition of intangible assets	-56.9	-42.2	-44.9
Acquisition of tangible assets	-1.7	-6.4	-3.9
Changes in financial assets	-	-	0.3
Payment of pension liabilities	-	-	-
Cash flow from investing activities	-58.6	-48.6	-48.5
Financing activities			
Paid-in share capital	-	-	-
New issue bonds	-	-	-
Transaction acquisition costs	-10.1	-	-
Obtained bond financing	550	-	-
Redemption of bond financing	-490	-	-118.7
Repayment of shareholder loan	-100	-	-
Shareholder contribution	-	-	25.0
Other borrowings	-	6.3	16.7
Redemption of pension debt	-	-	-
Repayment of other loans	-10.5	-12.8	-
Cash flow from Financing activities	-60.6	-6.5	-77.0
Cash flow for the period	-35.1	22.4	-106.0
Cash and cash equivalents at the beginning of the period	217.5	186.6	200.9
Exchange rate differences	4.2	-8.1	4.2
Cash and cash equivalents at the end of the period	186.6	200.9	99.1

Source: Company info

Cash flow statement – Q1

Cashflow statement (SEKm)	Q1 2021	Q1 2022
Operating activities		
Result before tax	-16.8	-2.7
Adjustments – items not included in the cash flow	21.7	19.2
-Whereof depreciation	14.5	16.6
-Whereof capitalized and accrued interest	3.9	3.2
-Whereof re-evaluation of net pension	0.1	-0.6
-Whereof other	3.2	-
Taxes paid	-8.0	-5.6
Cash flow from operating activities before change in working capital	-3.1	10.9
Other operating assets (incr- / decr+)	-2.5	36.0
Other operating liabilities (incr- / decr+)	-12.3	-14.8
Cash flow from operating activities	-17.9	32.1
Investing activities		
Acquisition of intangible assets	-22.0	-3.5
Acquisition of tangible assets	-0.3	-6.1
Changes in financial assets	-	-0.4
Payment of pension liabilities	-	-
Cash flow from investing activities	-22.3	-10.0
Financing activities		
Transaction acquisition costs	-	-
Obtained bond financing	-	-
Redemption of bond financing	-	-
Repayment of shareholder loan	-	-
Shareholder contribution	25.0	-
Other borrowings	0.3	1.0
Repayment of other loans	-3.1	4.4
Cash flow from Financing activities	22.2	5.4
Cash flow for the period	-18.0	27.5
Cash and cash equivalents at the beginning of the period	200.9	99.1
Exchange rate differences	3.5	1.0
Cash and cash equivalents at the end of the period	186.4	127.6

Risk factors – 1/7

Risk Factors

*In this section, the risk factors which Legres AB (publ) (the “**Issuer**”) considers to be material risks relating to the Issuer and its direct and indirect subsidiaries (the “**Group**”) and the contemplated subordinated unsecured fixed rate bonds (the “**Bonds**”) are illustrated. The Issuer’s assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The assessment of the materiality of each risk factor is illustrated with a rating of low, medium or high. The description of the risk factors below is based on information available and estimates made on the date of this Investor Presentation.*

*The risk factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. 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. Terms not defined herein shall have the same meaning as ascribed to them in the terms and conditions for the Bonds (the “**Terms and Conditions**”).*

Group and market specific risks

Risks related to the issuer’s business activities and industry

Risks of termination and claims in relation to material customer agreements

The Group has entered into approximately 900 customer agreements of which around twenty agreements stand for a significant part of the Group’s revenue. Some of the relevant agreements may be terminated subject to six (6) months’ notice and have expiration dates in the near future and change of control provisions.

Most notably, the Group is dependent on its relationship with Telia Company AB and its affiliates (“**Telia**”) from which a substantial part of the Group’s revenue is generated. A Master Agreement (“**MA**”) has been entered into between Telia Company AB and entities within the Group in June 2017, pursuant to which Telia has given the Group exclusivity, or a right of first refusal, to provide certain services (e.g. debt collection) and the Group has undertaken to provide these services to Telia, in accordance with the terms and conditions set out in the MA. Unless terminated by the Group or Telia, each commercial agreement subject to the MA, aside from some of the service agreements, will be prolonged by one year at a time. In addition to the MA, the two parties have outlined further documents stipulating how the current collaboration will develop in the future. During the last twelve months ended on 31 March 2022, 29 per cent. of the

Group’s sales were generated from Telia.

Thus, the Group is dependent on its relationship with Telia to continue to generate profits at its current level. Should a material customer’s, such as Telia, demand for the Group’s services decrease, it will have an adverse effect on the Group’s operating results and financial position. Further, if material customer agreements, such as Telia, would be terminated or expire without being renewed, the revenue from such customers will cease. It is uncertain whether material customers, such as Telia, will terminate their agreements and/or if the Group will be successful in renegotiating such agreements, but if such an event would occur, it presents a risk to the Group’s earnings.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Risks relating to strategy and business expansion

Business expansion, mainly by developing new services to offer on the Nordic market, where the Group currently operates, is part of the Group’s strategy. The Group has in recent years developed its services in relation to E-commerce financing, checkout solutions, invoicing services, accounts receivable, and artificial intelligence and that work is estimated to continue over the coming years but to a large extent this will be implemented during 2022.

It is uncertain whether the Group has or will miscalculate the relevant markets’ demand for new products and services in which it has made significant investments. If the risk materialises there is a risk that the Group will lose such investment. It is uncertain whether the investment will generate the desired result, and there is a risk that this may adversely affect the Group’s future financial condition and results of operations.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Risk factors – 2/7

Risks related to IT infrastructure

The Group depends on information technology to manage critical business processes. The Group is currently in the process of implementation of a new group-wide IT-platform, Sergel House, initiated in 2018. The implementation of the new IT-system commenced during 2018 and will continue throughout 2022. There is a risk that the IT-system, including back-up procedures, from time to time, fails and if so, the Group is not able to conduct its business.

Further, the Group relies on Telia's IT-system to obtain information regarding Telia's clients. Consequently, a disruption in Telia's IT-system may adversely affect the Group's operations. However, it is uncertain whether such disruption will occur, there is a risk of disruption in Telia's IT-system which may impact the Group's operations adversely since it may complicate the gathering of information regarding Telia's clients.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Certain employees are covered by collective bargaining agreements and there is an ongoing conflict

Certain of the Group's employees are covered by collective bargaining agreements; accordingly, disruptions, strikes, work stoppages and/or increased costs may follow as a consequence from time to time. In the end of April 2022, a strike in Finland broke out, affecting some of Sergel Oy's employees. The strike is continuing as of the date of this presentation. Although the Group has not suffered any material costs yet, any prolongation of the strike could, directly or indirectly, have an adverse effect on the Group's business, results of operations and financial condition.

The Issuer considers that the probability that the abovementioned risks materialise to be high. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Counterparty risk

Counterparty risk is the risk that the counterparty of a contract will not live up to its contractual obligations. The Group is exposed to a counterparty risk in all of its contracts. However, as described in the risk factor "Risk of termination and claims in relation to material customer agreements" a significant share of the Group's revenue is generated from a few, material customers, such as Telia (from which 32 per cent. of the Group's sales were generated in the first quarter 2022), on which the Group is dependent. There is a risk that any of the Group's material customers' – such as Telia – financial position deteriorates and that they will not be able to meet their payment obligations under the customer agreements, which will have an impact on the Group's earnings since it will diminish the Group's possibilities to be compensated under the agreement.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Risk factors – 3/7

Legal and regulatory risk

Regulatory risk

The Group's operations are subject to legislation, rules, guidance, codes of conduct and government policies in the jurisdictions in which it conducts business. The most significant legislation applicable to the Group's operations are the Swedish Debt Recovery Act, the Swedish Credit Information Act (or corresponding acts within the Nordic jurisdiction), the General Data Protection Regulation (EU) ("GDPR"), and, as regards Finland, the Finnish Act on Preventing Money Laundering and Terrorist Financing. The entities within the Group are under the supervision of the Data Protection Authority in each country of operation, and the Group relies on a good relationship with such authorities. The Group operate within a personal data intensive industry and the most important risk is related to handling of personal data and compliance, in all aspects, with GDPR. There is a risk that the Group has failed to adapt its operations in accordance with the requirements set out in the GDPR. As a result, there is a risk that the Group will be incurred significant fees for violation of the GDPR. In 2021 a GDPR incident occurred in the Group. The relevant authorities were informed and initiated an investigation which has been concluded without any fines or other penalties. For severe violations of the GDPR, the fine framework can be up to 20,000,000 euros, or in the case of an undertaking, up to 4 % of the total global turnover of the preceding fiscal year, whichever is higher. For less severe violations of the GDPR, the fines amount to up to 10,000,000 euros, or, in the case of an undertaking, up to 2 % of the entire global turnover of the preceding fiscal year, whichever is higher.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Further, during the last quarter of 2020 new legislation came into force in Norway regulating debt collection fees reducing the amount of fees that can be retrieved in connection with debt collection. This has had and will continue to have an adverse effect on the Issuer's business. The Group's result for the last twelve months ended on 31 March 2022 in comparison to the preceding twelve months show a loss in revenue corresponding to SEK 20,000,000. Similar legislation may be adopted in the other jurisdictions the Group conducts its business which would have a material adverse effect on the Group's results.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Risk relating to the implementation of the NPL Directive

The European Parliament and the Council has adopted Directive (EU) 2021/2167 on credit servicers and credit purchasers (the "NPL Directive") which, in short, applies to non-performing credit agreements that are more than 90 days due or where the lending credit institution considers it unlikely to be repaid by the borrower. The NPL Directive is intended to facilitate the transfer by credit institutions of NPLs (as defined therein) to credit purchasers and the development of a secondary market for NPLs for credit purchasers and servicers.

Legal persons that perform "credit servicing activities" as defined in the NPL Directive will be required to obtain authorisation as a credit servicer with its national competent authority. Member states are required to implement the NPL Directive so that its provisions apply as of 30 December 2023. The NPL Directive may apply to the Group's operations as currently conducted and, if so, will impose additional compliance and operational requirements that may increase the Group's costs and affect the Group's financial position. It should be noted that legislative measures at national level transposing the NPL Directive are generally not available at the date hereof and it remains to be seen how the NPL Directive will be implemented. The impact of these regulations or others like them enacted or imposed in other jurisdictions may impede the Group's ability to conduct its operations, result in further litigation or have a negative impact on the Group's business.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Risk factors – 4/7

Risks related to the Issuer's financial situation

Risk regarding availability of capital

Future availability of capital is important with regard to business growth potential and if sufficient capital is not available, corrective actions must be initiated. Also, the availability of capital is important in order for the Group to fulfil its commitments when due.

The Group's current financing mainly consists of its existing bonds with ISIN SE0012729010 (the "**Senior Bonds**") which will be partly refinanced by the Bonds. The Issuer also has subordinated debt in the form of a shareholder loan amounting to approximately SEK 168,000,000 (including incurred and unpaid interest), as of 31 March 2022.

As the Group finances its activities to a large extent with external capital, the Group depends on the ability to refinance these loans in the future. The degree to which capital will be available to the Issuer in the future is uncertain and the realisation of any of the aforementioned risks will adversely affect the Group's financial position and the Bondholders' possibility to receive payment under the Terms and Conditions will be reduced.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

The Issuer is dependent on the Sergel Entities

The Issuer is a holding company and holds no significant assets. Accordingly, the Issuer is highly dependent upon receipt of sufficient income related to the operation of and the ownership in the Sergel Entities to enable it to make payments under the Bonds. The entities of the Sergel Entities are legally separate and distinct from the Issuer and will have no obligations 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 Sergel Entities to make such payments to the Issuer is subject to, among other things, the availability of funds, corporate restrictions and the terms of each operation's indebtedness. Although it is uncertain, there is a risk that the Issuer does not receive sufficient income from the Sergel Entities, in which case the Bondholder's ability to receive payment under the Terms and Conditions will be adversely affected.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Interest risk rate

Interest rate risk is the risk that the Group's current and future net interest deteriorates due to adverse changes in interest rates. The market interest rate may be subject to significant fluctuations. The degree to which such interest rates may vary is uncertain and presents a risk to the Group's financial position. The main interest risk which the Group is exposed to is the risk that its financial charges rises as a result of an increased market rate including STIBOR, and in turn, that the interest for the Bonds increase. A deterioration of the Group's net interest due to unfavourable changes in interest rates will have a material adverse effect on the Group's financial charges. The Group estimates that an increase of one (1) per cent. of the market interest, would have adversely affected the Group's result for the last twelve months ended on 31 March 2022 with SEK – 4,400,000 and that the effect on the Group's equity (as per 31 March 2022) would have been SEK – 3,500,000.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Currency risk

Currency risk is the risk that the Group will suffer losses due to adverse changes in exchange rates. Currency risk also involves the risk that the estimated fair value of, or future cash flows from, a financial instrument fluctuate because of changes in currency exchange rates. Since the Issuer's subsidiaries operated in Denmark, Norway and Finland, the Issuer is exposed to a currency risk mainly from Euro (EUR), Norwegian Krone (NOK) and Danish Krone (DKK).

The relevant currencies value may be subject to significant fluctuations in exchange rates. The degree to which such exchange rates may vary, is uncertain and presents risk to the Group's results of operations. The Group's currency risk mainly arises from intra group transactions, recognised assets and liabilities and net investments of foreign operations. Adverse changes in exchange rates will have a material adverse effect on the Group's results of when the different operations are to be consolidated in SEK.

The below table shows the Group's estimate on the effects that changes in the relevant exchange rates of +/-10 per cent. during the last twelve months ended on 31 March 2022, would have affected the Group's result for such period, and equity per 31 March 2022.

Risk factors – 5/7

Changes in exchange rates	2022-03-31 – (last 12 months) – Effects on operating result (in SEK, pre tax)	2022-03-31 – Effects on equity (in SEK)
EUR +10 %	+3,0	+2.5
EUR –10 %	-3,0	-2,5
NOK +10 %	+1,9	+1,2
NOK –10 %	-1,9	-1,9
DKK +10 %	+1,3	+1,0
DKK –10 %	-1,3	-1,0

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Risks relating to the Bonds

Risks relating to the Group's failure to comply with the Terms and Conditions or service debts under the Bonds

Credit risk towards the Group

Bondholders carry a credit risk relating to the Issuer and the Group. The Bondholders' ability to receive payment under the Bonds is therefore dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent

upon the performance of the Group's operations (the Group's adjusted EBITDA amounted to approximately SEK 99,000,000 during the last twelve months ended on 31 March 2022) and its financial position and also, the availability of capital (please refer to the risk factor "Risk regarding availability of capital" for more details).

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

Refinancing risk

The Group's ability to successfully refinance its debts, including the Bonds, is dependent on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, there is a risk that the Group's access to financing sources will not be available on favourable terms, or at all.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be high.

Ability to service debt under the Bonds

The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors which have been mentioned above or which are outside of the Issuer's control.

It is uncertain whether the Group's operating income, will be sufficient to service its current or future indebtedness. If the Group's operating income will not be sufficient to service its current or future indebtedness, there is a risk that the Group will be forced to take actions such as reducing or delaying its business activities, make acquisitions, investments or capital expenditures, sell assets, or restructure or refinance its debt and/or seek additional equity capital, and that the Group will not be able to affect any of these remedies on satisfactory terms, or at all.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

Risk factors – 6/7

Risks relating to the value of the Bonds and the bond market

Liquidity risks

The Issuer does not intend to apply for listing of the Bonds on a regulated market which, in combination with securities, such as the Bonds, with a nominal amount of SEK 1,250,000, means that active trading does not always occur. Hence there is a risk that a liquid market for trading in the Bonds will not exist or is maintained. This can result in that the Bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market will have a negative impact on the market value of the Bonds.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be low.

Risks relating to the Bonds being unsecured

Unsecured obligations, subordinated to the Senior Bonds and security over assets granted to third parties

The Bonds constitute unsecured debt obligations of the Issuer. The Bonds are also subordinated in relation to the Senior Bonds, which means that the Issuer may not redeem or repurchase Bonds before the Senior Bonds have been repaid in full.

If the Issuer is subject to any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, the Bondholders will receive payment only after the Senior Bonds have been paid in full. Further, following the holders of the Senior Bonds receiving payment in full, the Bondholders will have an unsecured claim against the Issuer for the amounts due under the Bonds, which means that the Bondholders would receive payment pro rata with other unsecured creditors. Consequently, a Bondholder may not recover any or full value in the event of the Issuer's liquidation, bankruptcy or company reorganisation. Each Bondholder should be aware that by investing in the Bonds, it risk losing the entire, or part of, its investment.

Further, the Group has, as part of its financing, incurred debt to other creditors and granted security over certain assets. Such secured debt constitutes a preferential claim on the relevant subsidiary. The Issuer may incur additional debt and provide additional security for such financing. In addition, the Issuer may retain, provide or renew security over certain of its current or future assets to secure, inter alia, the Senior Bonds, either via the Issuer itself or any other subsidiary, and

such security interests would constitute a preferential claim on the relevant borrower with priority in relation to the Bonds.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be high.

Structural subordination

A significant part of the Issuer's revenues relates to the Issuer's subsidiaries. In the event of the insolvency or liquidation of (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 subsidiary before the Issuer (as a shareholder) would be entitled to any payments. Thus, if the Issuer's subsidiaries incur debt, the right to payment under the Bonds will be structurally subordinated to the right of payment relating to debt incurred by subsidiaries of the Issuer, which could have a negative impact on the Bondholders' recovery under the Bonds.

The Issuer considers that the probability that the abovementioned risks materialise to be low. If the risks would materialise, the Issuer considers the potential negative impact to be medium.

Risk factors – 7/7

Risks relating to certain limitations of the Bondholders' rights

Risk related to early redemptions and put options

As set out in the Terms and Conditions, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date (provided that the Senior Bonds have been repaid in full before such early redemption of the Bonds). If the Bonds are redeemed before the final redemption date, the Bondholders have only the right to receive the nominal amount together with accrued but unpaid interest in accordance with the Terms and Conditions. However, there is a risk that the market value of the Bonds is higher than the nominal amount and that it will not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and will only be able to do so at a significantly lower rate.

According to the Terms and Conditions, the Bonds are not subject to prepayment at the option of each Bondholder (put option) if e.g. a change of control event occurs. Since the Bondholders have no put option, there is a risk that a change of control would have a negative impact on the market price of the Bonds while the Bondholders would not be able to demand early redemption at a premium.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be low.

No action against the Issuer and Bondholders' representation

In accordance with the Terms and Conditions, the Agent will 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 can therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action.

However, the possibility that a Bondholder, in certain situations, can bring its own action against the Issuer (in breach of the Terms and Conditions) cannot be ruled out, which will negatively impact an acceleration of the Bonds or other action against the Issuer.

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 will be undesirable for some of the Bondholders.

The Issuer considers that the probability that the abovementioned risks materialise to be medium. If the risks would materialise, the Issuer considers the potential negative impact to be high.

Bondholders meetings and written procedures

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

The Issuer considers that the probability of the abovementioned risk to occur is low. If this risk would materialise, the Issuer considers the potential negative impact to be medium.



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